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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Group Hospitalization and Medical Services, Inc.
<b>TOI/Sub-TOI:</b>	H21 Health - Other/H21.000 Health - Other		
<b>Product Name:</b>	BluePreferred - ON-EXCHANGE		
<b>Project Name/Number:</b>	DC GHMSI IND64- ACA ON-EXCHANGE/1967		

## Filing at a Glance

Company:	Group Hospitalization and Medical Services, Inc.
Product Name:	BluePreferred - ON-EXCHANGE
State:	District of Columbia
TOI:	H21 Health - Other
Sub-TOI:	H21.000 Health - Other
Filing Type:	Rate
Date Submitted:	06/13/2014
SERFF Tr Num:	CFAP-129554331
SERFF Status:	Assigned
State Tr Num:	
State Status:	
Co Tr Num:	1967
Implementation	01/01/2015
Date Requested:	
Author(s):	Todd Switzer, Brad Boban, Shane Kontir, Cory Bream, Michaela Berry
Reviewer(s):	John Morgan (primary), Alula Selassie, Beichen Li
Disposition Date:	
Disposition Status:	
Implementation Date:	
State Filing Description:	

**State:** District of Columbia  
**TOI/Sub-TOI:** H21 Health - Other/H21.000 Health - Other  
**Product Name:** BluePreferred - ON-EXCHANGE  
**Project Name/Number:** DC GHMSI IND64- ACA ON-EXCHANGE/1967

**Filing Company:** Group Hospitalization and Medical Services, Inc.

## General Information

Project Name: DC GHMSI IND64- ACA ON-EXCHANGE

Project Number: 1967

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact: 12.1%

Deemer Date:

Submitted By: Shane Kontir

Status of Filing in Domicile:

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Individual Market Type: Individual

Filing Status Changed: 06/16/2014

State Status Changed:

Created By: Cory Bream

Corresponding Filing Tracking Number:

PPACA: Non-Grandfathered Immed Mkt Reforms

PPACA Notes: null

Include Exchange Intentions:

No

Filing Description:

This filing contains the rate proposal for the portfolio of benefits to be offered by Group Hospitalization & Medical Services, Inc. to Individuals Under 65 on the D.C. Exchange. We are submitting 4 benefit plans on the D.C. Exchange.

## Company and Contact

### Filing Contact Information

Brad Boban, Senior Actuarial Assistant

10455 Mill Run Circle

Owings Mills, MD 21117

brad.boban@carefirst.com

410-998-6230 [Phone]

410-998-7704 [FAX]

### Filing Company Information

Group Hospitalization and Medical Services, Inc.

840 First Street NE

Washington, DC 20065

(410) 581-3000 ext. [Phone]

CoCode: 53007

Group Code:

Group Name:

FEIN Number: 53-0078070

State of Domicile: District of Columbia

Company Type: Hospital, Medical & Dental Service or Indemnity

State ID Number:

## Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Group Hospitalization and Medical Services, Inc.
<b>TOI/Sub-TOI:</b>	H21 Health - Other/H21.000 Health - Other		
<b>Product Name:</b>	BluePreferred - ON-EXCHANGE		
<b>Project Name/Number:</b>	DC GHMSI IND64- ACA ON-EXCHANGE/1967		

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	SERFF
<b>Rate Change Type:</b>	Increase
<b>Overall Percentage of Last Rate Revision:</b>	%
<b>Effective Date of Last Rate Revision:</b>	01/01/2014
<b>Filing Method of Last Filing:</b>	SERFF

## Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Group Hospitalization and Medical Services, Inc.	Increase	12.100%	12.100%	\$2,672,926	5,200	\$22,108,329	15.300%	4.100%

**State:** District of Columbia  
**TOI/Sub-TOI:** H21 Health - Other/H21.000 Health - Other  
**Product Name:** BluePreferred - ON-EXCHANGE  
**Project Name/Number:** DC GHMSI IND64- ACA ON-EXCHANGE/1967

**Filing Company:** Group Hospitalization and Medical Services, Inc.

## Rate Review Detail

### COMPANY:

Company Name: Group Hospitalization and Medical Services, Inc.  
 HHS Issuer Id: 78079

### PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
BluePreferred	78079DC021		1492
BluePreferred HSA	78079DC020		1108
BluePreferred HSA Multi-State Plan	78079DC018		1108
BluePreferred Multi-State Plan	78079DC016		1492

Trend Factors:

### FORMS:

New Policy Forms: DC/CF/EXC/2015 AMEND (1/15), DC/CF/DB/PPO/INCENTIVE (1/15), DC/CF/EXC/BP/BRZ SOB (R. 1/15), DC/CF/EXC/BP/GOLD SOB (R. 1/15), DC/CF/EXC/BP/NATAMER SOB (R. 1/15), DC/CF/EXC/BP/PLAT SOB (R. 1/15), DC/CF/EXC/BP/ SIL SOB (R. 1/15), DC/CF/EXC/BP/SIL 74 SOB (R. 1/15), DC/CF/EXC/BP/SIL 88 SOB (R. 1/15), DC/CF/EXC/BP/SIL 95 SOB (R. 1/15), DC/CF/EXC/BC+OON/BRZ SOB (R. 1/15), DC/CF/EXC/BC+ OON NATAMER SOB (R. 1/15), DC/CF/EXC/BC+ OON/SIL 74 SOB (R. 1/15), DC/CF/EXC/BC+ OON/SIL 87 SOB (R. 1/15), DC/CF/EXC/BC+OON/SIL 95 SOB (R. 1/15), DC/CF/EXC/BC+OON SIL SOB (R. 1/15), DC/CF/EXC/HB OON/PLAT SOB (R. 1/15), DC/CF/EXC/HB OON/GOLD SOB (R. 1/15), DC/CF/EXC/HB OON/NATAMER SOB (R. 1/15)

Affected Forms:

Other Affected Forms: DC/CF/EXC/BP/IEA (1/14), DC/CF/EXC/MSP/BP/IEA (1/14), DC/CF/EXC/BC+ OON/IEA (1/14), DC/CF/EXC/HB OON/IEA (1/14), DC/CF/MSP/DB/APPEAL (1/14), DC/CF/SHOP/EXC/DOCS (1/14), DC/CF/EXC/NATAMER (1/14), DC/CF/MSP/EXCLUSION (1/14), DC/GHMSI/DOL APPEAL (R. 11/11), DC/CF/MEM/BLCRD (1/12), DC/CF/ANCILLARY AMEND (10/12), DC/CF/PT PROTECT (9/10)

### REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual  
 Member Months: 55,746  
 Benefit Change: Increase  
 Percent Change Requested: Min: 4.1 Max: 15.3 Avg: 12.1

### PRIOR RATE:

Total Earned Premium: 22,108,329.00  
 Total Incurred Claims: 17,028,076.00  
 Annual \$: Min: 237.79 Max: 469.18 Avg: 362.51

**State:** District of Columbia**Filing Company:** Group Hospitalization and Medical Services, Inc.**TOI/Sub-TOI:** H21 Health - Other/H21.000 Health - Other**Product Name:** BluePreferred - ON-EXCHANGE**Project Name/Number:** DC GHMSI IND64- ACA ON-EXCHANGE/1967**REQUESTED RATE:**

Projected Earned Premium: 24,781,289.00

Projected Incurred Claims: 18,613,217.00

Annual \$: Min: 262.55 Max: 540.88 Avg: 406.34

<b>SERFF Tracking #:</b>	CFAP-129554331	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	1967
<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Group Hospitalization and Medical Services, Inc.		
<b>TOI/Sub-TOI:</b>	H21 Health - Other/H21.000 Health - Other				
<b>Product Name:</b>	BluePreferred - ON-EXCHANGE				
<b>Project Name/Number:</b>	DC GHMSI IND64- ACA ON-EXCHANGE/1967				

## Rate/Rule Schedule

SERFF Tracking #:

CFAP-129554331

State Tracking #:

Company Tracking #:

1967

State:

District of Columbia

Filing Company:

Group Hospitalization and Medical Services, Inc.

TOI/Sub-TOI:

H21 Health - Other/H21.000 Health - Other

Product Name:

BluePreferred - ON-EXCHANGE

Project Name/Number:

DC GHMSI IND64- ACA ON-EXCHANGE/1967

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		1967_DC GHMSI Exchange Filing	DC/CF/EXC/2015 AMEND (1/15), DC/CF/DB/PPO/INCENTIVE (1/15), DC/CF/EXC/BP/BRZ SOB (R. 1/15), DC/CF/EXC/BP/GOLD SOB (R. 1/15), DC/CF/EXC/BP/NATAMER SOB (R. 1/15), DC/CF/EXC/BP/PLAT SOB (R. 1/15), DC/CF/EXC/BP/ SIL SOB (R. 1/15), DC/CF/EXC/BP/SIL 74 SOB (R. 1/15), DC/CF/EXC/BP/SIL 88 SOB (R. 1/15), DC/CF/EXC/BP/SIL 95 SOB (R. 1/15), DC/CF/EXC/BC+OON/BRZ SOB (R. 1/15), DC/CF/EXC/BC+ OON NATAMER SOB (R. 1/15), DC/CF/EXC/BC+ OON/SIL 74 SOB (R. 1/15), DC/CF/EXC/BC+ OON/SIL 87 SOB (R. 1/15), DC/CF/EXC/BC+OON/SIL 95 SOB (R. 1/15), DC/CF/EXC/BC+OON SIL SOB (R. 1/15), DC/CF/EXC/HB OON/PLAT SOB (R. 1/15), DC/CF/EXC/HB OON/GOLD SOB (R. 1/15), DC/CF/EXC/HB OON/NATAMER SOB (R. 1/15), DC/CF/EXC/BP/IEA (1/14), DC/CF/EXC/MSP/BP/IEA (1/14), DC/CF/EXC/BC+ OON/IEA (1/14), DC/CF/EXC/HB OON/IEA (1/14), DC/CF/MSP/DB/APPEAL (1/14),	Revised	Previous State Filing Number: CFAP-129047507 or 1900 Percent Rate Change Request: 12.1	1967_DC_PPO - Exchange (Q1 2015) - Rate Filing.pdf,

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Group Hospitalization and Medical Services, Inc.
<b>TOI/Sub-TOI:</b>	H21 Health - Other/H21.000 Health - Other		
<b>Product Name:</b>	BluePreferred - ON-EXCHANGE		
<b>Project Name/Number:</b>	DC GHMSI IND64- ACA ON-EXCHANGE/1967		

			DC/CF/SHOP/EXC/DOCS (1/14), DC/CF/EXC/NATAMER (1/14), DC/CF/MSP/EXCLUSION (1/14), DC/GHMSI/DOL APPEAL (R. 11/11), DC/CF/MEM/BLCRD (1/12), DC/CF/ANCILLARY AMEND (10/12), DC/CF/PT PROTECT (9/10)			
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**Group Hospitalization & Medical Services, Inc. (GHMSI)  
d.b.a. CareFirst BlueCross BlueShield  
(NAIC # 53007)**

**DC Individual Exchange Products  
Rates Effective 1/1/2015**

**Rates & Factors**

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates & Factors**  
**Table of Contents**  
**Rates Effective 1/1/2015**

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BlueCross BlueShield Preferred 1500, A Multi-State Plan - On Exchange	6
BlueCross BlueShield Preferred 500, A Multi-State Plan - On Exchange	7
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**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2015**  
**Form Numbers**

**Form Numbers Associated With This Filing:**

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\*This list contains the applicable forms for the ACA products.

<b>BluePreferred</b>
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DC/CF/EXC/BP/IEA (1/14)  
DC/CF/SHOP/EXC/DOCS (1/14)  
DC/CF/EXC/NATAMER (1/14)  
DC/GHMSI/DOL APPEAL (R. 11/11)  
DC/CF/MEM/BLCRD (1/12)  
DC/CF/ANCILLARY AMEND (10/12)  
DC/GHMSI/HEALTH GUARANTEE 2/08  
DC/CF/PT PROTECT (9/10)  
DC/CF/EXC/2015 AMEND (1/15)  
DC/CF/DB/PPO/INCENTIVE (1/15)  
DC/CF/EXC/BP/BRZ SOB (R. 1/15) (Bronze Metal Level)  
DC/CF/EXC/BP/NATAMER SOB (R. 1/15)  
DC/CF/EXC/BP/PLAT SOB (R. 1/15) (Platinum Metal Level)

<b>BP Multi-State Plan</b>
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DC/CF/EXC/MSP/BP/IEA (1/14)  
DC/CF/MSP/DB/APPEAL (1/14)  
DC/CF/SHOP/EXC/DOCS (1/14)  
DC/CF/EXC/NATAMER (1/14)  
DC/CF/MSP/EXCLUSION (1/14)  
DC/CF/MEM/BLCRD (1/12)  
DC/CF/ANCILLARY AMEND (10/12)  
DC/GHMSI/HEALTH GUARANTEE 2/08  
DC/CF/PT PROTECT (9/10)  
DC/CF/EXC/2015 AMEND (1/15)  
DC/CF/DB/PPO/INCENTIVE (1/15)  
DC/CF/EXC/BP/GOLD SOB (R. 1/15) (Gold Metal Level)  
DC/CF/EXC/BP/ SIL SOB (R. 1/15) (Silver Metal Level)  
DC/CF/EXC/BP/SIL 74 SOB (R. 1/15) (Silver Metal Level 200-250% FPL)  
DC/CF/EXC/BP/SIL 88 SOB (R. 1/15) (Silver Metal Level 150-200% FPL)  
DC/CF/EXC/BP/SIL 95 SOB (R. 1/15) (Silver Metal Level 100-150% FPL)

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**

**Age Factors**

<b>Age</b>	<b>Factor</b>
0-20	0.654
21	0.727
22	0.727
23	0.727
24	0.727
25	0.727
26	0.727
27	0.727
28	0.744
29	0.760
30	0.779
31	0.799
32	0.817
33	0.836
34	0.856
35	0.876
36	0.896
37	0.916
38	0.927
39	0.938
40	0.975
41	1.013
42	1.053
43	1.094
44	1.137
45	1.181
46	1.227
47	1.275
48	1.325
49	1.377
50	1.431
51	1.487
52	1.545
53	1.605
54	1.668
55	1.733
56	1.801
57	1.871
58	1.944
59	2.020
60	2.099
61	2.181
62	2.181
63	2.181
64+	2.181

# Group Hospitalization & Medical Services, Inc. (GHMSI)

Individual On Exchange  
DISTRICT OF COLUMBIA  
BluePreferred H.S.A. Bronze \$3500  
Proposed Monthly Premium Rates Effective 1/1/2015

Base Rate      \$      262.55

Age	Monthly Premium
0-20	\$171.71
21	\$190.87
22	\$190.87
23	\$190.87
24	\$190.87
25	\$190.87
26	\$190.87
27	\$190.87
28	\$195.34
29	\$199.54
30	\$204.53
31	\$209.78
32	\$214.50
33	\$219.49
34	\$224.74
35	\$229.99
36	\$235.24
37	\$240.50
38	\$243.38
39	\$246.27
40	\$255.99
41	\$265.96
42	\$276.47
43	\$287.23
44	\$298.52
45	\$310.07
46	\$322.15
47	\$334.75
48	\$347.88
49	\$361.53
50	\$375.71
51	\$390.41
52	\$405.64
53	\$421.39
54	\$437.93
55	\$455.00
56	\$472.85
57	\$491.23
58	\$510.40
59	\$530.35
60	\$551.09
61	\$572.62
62	\$572.62
63	\$572.62
64+	\$572.62

## Summary of Member Cost-Shares

	<u>In Network</u>	<u>Out-Of-Network</u>
DEDUCTIBLE	\$3,500	\$7,000
COINSURANCE	20%	40%
OUT-OF-POCKET MAXIMUM	\$6,350	\$12,700
Office Copays	\$30 PCP /\$40 Specialist	
Drug:	20% Generic, 30% Preferred Brand	
	50% Non-Preferred Brand Coinsurance	
Drug and Medical Combined for Ded & OOP Max		

# **Group Hospitalization & Medical Services, Inc. (GHMSI)**

Individual On Exchange

**DISTRICT OF COLUMBIA**

**BlueCross BlueShield Preferred 1500, A Multi-State Plan**

Proposed Monthly Premium Rates Effective 1/1/2015

Base Rate      **\$      313.67**

Age	Monthly Premium
0-20	\$205.14
21	\$228.04
22	\$228.04
23	\$228.04
24	\$228.04
25	\$228.04
26	\$228.04
27	\$228.04
28	\$233.37
29	\$238.39
30	\$244.35
31	\$250.62
32	\$256.27
33	\$262.23
34	\$268.50
35	\$274.77
36	\$281.05
37	\$287.32
38	\$290.77
39	\$294.22
40	\$305.83
41	\$317.75
42	\$330.29
43	\$343.15
44	\$356.64
45	\$370.44
46	\$384.87
47	\$399.93
48	\$415.61
49	\$431.92
50	\$448.86
51	\$466.43
52	\$484.62
53	\$503.44
54	\$523.20
55	\$543.59
56	\$564.92
57	\$586.88
58	\$609.77
59	\$633.61
60	\$658.39
61	\$684.11
62	\$684.11
63	\$684.11
64+	\$684.11

## **Summary of Member Cost-Shares**

	<u>In Network</u>	<u>Out-Of-Network</u>
DEDUCTIBLE	\$1,500	\$3,000
COINSURANCE	30%	50%
OUT-OF-POCKET MAXIMUM	\$5,500	\$11,000
Office Copays	\$30 PCP /\$40 Specialist	
Drug:	20% Generic, 30% Preferred Brand	
	50% Non-Preferred Brand Coinsurance	
Drug and Medical Combined for Ded & OOP Max		

# **Group Hospitalization & Medical Services, Inc. (GHMSI)**

Individual On Exchange  
**DISTRICT OF COLUMBIA**  
**BlueCross BlueShield Preferred 500, A Multi-State Plan**  
Proposed Monthly Premium Rates Effective 1/1/2015

Base Rate      **\$      425.46**

Age	Monthly Premium
0-20	\$278.25
21	\$309.31
22	\$309.31
23	\$309.31
24	\$309.31
25	\$309.31
26	\$309.31
27	\$309.31
28	\$316.54
29	\$323.35
30	\$331.43
31	\$339.94
32	\$347.60
33	\$355.68
34	\$364.19
35	\$372.70
36	\$381.21
37	\$389.72
38	\$394.40
39	\$399.08
40	\$414.82
41	\$430.99
42	\$448.01
43	\$465.45
44	\$483.75
45	\$502.47
46	\$522.04
47	\$542.46
48	\$563.73
49	\$585.86
50	\$608.83
51	\$632.66
52	\$657.34
53	\$682.86
54	\$709.67
55	\$737.32
56	\$766.25
57	\$796.04
58	\$827.09
59	\$859.43
60	\$893.04
61	\$927.93
62	\$927.93
63	\$927.93
64+	\$927.93

## **Summary of Member Cost-Shares**

	<u>In Network</u>	<u>Out-Of-Network</u>
DEDUCTIBLE	\$500	\$1,000
COINSURANCE	20%	40%
OUT-OF-POCKET MAXIMUM	\$3,750	\$7,500
Office Copays	\$30 PCP /\$40 Specialist	
Drug:	20% Generic, 30% Preferred Brand	
	50% Non-Preferred Brand Coinsurance	
Drug and Medical Combined for Ded & OOP Max		

# Group Hospitalization & Medical Services, Inc. (GHMSI)

Individual On Exchange  
DISTRICT OF COLUMBIA  
BluePreferred Platinum \$0 Deductible  
Proposed Monthly Premium Rates Effective 1/1/2015

Base Rate      \$      540.88

Age	Monthly Premium
0-20	\$353.74
21	\$393.22
22	\$393.22
23	\$393.22
24	\$393.22
25	\$393.22
26	\$393.22
27	\$393.22
28	\$402.41
29	\$411.07
30	\$421.35
31	\$432.16
32	\$441.90
33	\$452.18
34	\$462.99
35	\$473.81
36	\$484.63
37	\$495.45
38	\$501.40
39	\$507.35
40	\$527.36
41	\$547.91
42	\$569.55
43	\$591.72
44	\$614.98
45	\$638.78
46	\$663.66
47	\$689.62
48	\$716.67
49	\$744.79
50	\$774.00
51	\$804.29
52	\$835.66
53	\$868.11
54	\$902.19
55	\$937.35
56	\$974.12
57	\$1,011.99
58	\$1,051.47
59	\$1,092.58
60	\$1,135.31
61	\$1,179.66
62	\$1,179.66
63	\$1,179.66
64+	\$1,179.66

## Summary of Member Cost-Shares

	<u>In Network</u>	<u>Out-Of-Network</u>
DEDUCTIBLE	\$0	\$1,000
COINSURANCE	10%	30%
OUT-OF-POCKET MAXIMUM	\$1,800	\$3,600
Office Copays	\$20 PCP /\$30 Specialist	
Drug:	20% Generic, 30% Preferred Brand	
	50% Non-Preferred Brand Coinsurance	
Drug and Medical Combined for OOP Max		



<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Group Hospitalization and Medical Services, Inc.
<b>TOI/Sub-TOI:</b>	H21 Health - Other/H21.000 Health - Other		
<b>Product Name:</b>	BluePreferred - ON-EXCHANGE		
<b>Project Name/Number:</b>	DC GHMSI IND64- ACA ON-EXCHANGE/1967		

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	Please see the Actuarial Memorandum for these items.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Certificate of Authority to File
<b>Bypass Reason:</b>	This filing is being made by the insurer.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	1967_DC_PPO - Exchange (Q1 2015) - Actuarial Memo Cover Letter.pdf 1967_DC_PPO - Exchange (Q1 2015) - Actuarial Memorandum.pdf 1967_DC_PPO - Exchange (Q1 2015) - Actuarial Value Calculations.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Justification
<b>Comments:</b>	This information can be found in the Actuarial Memorandum.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	This is not a P&C filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Bypass Reason:</b>	This is not a P&C filing.
<b>Attachment(s):</b>	

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Group Hospitalization and Medical Services, Inc.
<b>TOI/Sub-TOI:</b>	H21 Health - Other/H21.000 Health - Other		
<b>Product Name:</b>	BluePreferred - ON-EXCHANGE		
<b>Project Name/Number:</b>	DC GHMSI IND64- ACA ON-EXCHANGE/1967		

<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Consumer Disclosure Form
<b>Bypass Reason:</b>	As noted, we are bypassing this Requirement.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	1967_DC_PPO - Exchange (Q1 2015) - Actuarial Memo Cover Letter.pdf 1967_DC_PPO - Exchange (Q1 2015) - Actuarial Memorandum.pdf 1967_DC_PPO - Exchange (Q1 2015) - Actuarial Value Calculations.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Unified Rate Review Template
<b>Comments:</b>	
<b>Attachment(s):</b>	UnifiedRateReviewSubmission_20140613141425.xml 1967_DC_PPO - URR - SERFF - 6-13-14.xlsm PartII-DC-CD-GH-1967.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	DISB Actuarial Memorandum Dataset
<b>Comments:</b>	
<b>Attachment(s):</b>	PartII-DC-CD-GH-1967.pdf DISB Actuarial Memo Dataset - GHMSI_1967 - 6-13-14.xlsx
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>SERFF Tracking #:</b>	CFAP-129554331	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	1967
<hr/>					
<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Group Hospitalization and Medical Services, Inc.		
<b>TOI/Sub-TOI:</b>	H21 Health - Other/H21.000 Health - Other				
<b>Product Name:</b>	BluePreferred - ON-EXCHANGE				
<b>Project Name/Number:</b>	DC GHMSI IND64- ACA ON-EXCHANGE/1967				

***Attachment UnifiedRateReviewSubmission\_20140613141425.xml is not a PDF document and cannot be reproduced here.***

***Attachment 1967\_DC\_PPO - URRT - SERFF - 6-13-14.xlsm is not a PDF document and cannot be reproduced here.***

***Attachment DISB Actuarial Memo Dataset - GHMSI\_1967 - 6-13-14.xlsx is not a PDF document and cannot be reproduced here.***

**CAREFIRST BLUECROSS BLUESHIELD (CF)**  
**PART III ACTUARIAL MEMORANDUM**

**1. GENERAL INFORMATION:**

- A. **Company Legal Name:** Group Hospitalization and Medical Services, Inc. (NAIC # 53007) (GHMSI).
- B. **Jurisdiction:** District of Columbia.
- C. **HIOS Issuer ID:** 78079.
- D. **Market:** Individual, Non-Medigap (On Exchange).
- E. **Effective Date:** 1/1/15 – 12/31/15.
- F. **Primary Contact Name:** Mr. Todd Switzer, A.S.A., M.A.A.A.
- G. **Primary Contact Telephone Number:** 410-998-7107.
- H. **Primary Contact E-Mail Address:** Todd.Switzer@CareFirst.com.

2. **PROPOSED RATE INCREASE(S):** In compliance with the “Patient Protection and Affordable Care Act” (ACA, H.R. 3590) and toward the same 2014 objectives of maximizing access and affordability, long-term financial viability and customer rate stability, CareFirst (CF) is proposing to raise premiums by 12.1%, prior to age band changes. (For CF the proposed renewal is 13.0%.) The range is 4.1% to 15.3%. (For renewing customers, an age band change adds 2.6% to the renewal, on average, with a range of 0.0% to 3.9% for ages 22 and upwards per the DC age curve.)

3. **EXPERIENCE PERIOD PREMIUM AND CLAIMS:** The incurred period is 1/1/13 through 12/31/13, as required.

- A. **Paid Through Date:** 3/31/14.
- B. **Premiums (Net of Medical Loss Ratio (MLR) Rebate) in Experience Period:** \$192,950,934 (Merged Index Rate).
- C. **Allowed and Incurred Claims From Experience Period:** \$190,898,624 (Merged Index Rate).

**4. BENEFIT CATEGORIES:**

- A. Inpatient (hospital).
- B. Outpatient (hospital).
- C. Professional.
- D. Other Medical (non-capitated ambulance, home health care, durable medical equipment, prosthetics, supplies, vision exams, dental services and other).
- E. Prescription drug (Rx).
- F. Capitations.

**5. PROJECTION FACTORS:**

- A. **Changes in the Morbidity of the Population Insured:** For 2015, CareFirst estimates a morbidity factor that is almost identical to 2014’s projected morbidity. The morbidity risk factor projections are based upon the model that supported CareFirst’s 2014 rate filings. The model compares known and estimated allowed claims costs per member per month (PMPM) for 2013 to project the costs of various categories of the estimated 2015 membership.

These categories are based upon the prior status of the 2015 membership – previous CareFirst members (medically underwritten “Individual Non-Medigap” (INM), Open Enrollment, HIPAA, Group Conversion, Groups (small and large including Congress)) and New Entrants sorted by income (i.e., > 200% of the Federal Poverty Level (FPL)). As of 5/12/14, CF has enrolled approximately 10,000 members from Congress through the Small Business Health Options Program (SHOP). The prospect of offering SHOP plans to Congress was not known at the time of the 2014 rate filings. This influx of Congressional members with an average age of 32.3 years versus 33.7 for Small Group (SG) and 36.1 for INM contributed to the decline in the morbidity factor. Congress is projected to represent

~12% of total enrollment with an ~10% improvement in the loss ratio leading to ~1% reduction to premiums. On 12/31/15 we are projecting about 23,000 CF INM members and 71,000 for CF SG for a total of approximately 94,000.

- B. **Changes in Benefits:** For CareFirst's Individual offerings, our portfolio is not changing. We will still offer 15 benefit plans – 1 Young Adult/Catastrophic, 4 Bronze, 4 Silver, 4 Gold and 2 Platinum. We have recalculated the costs of "Essential Health Benefits" (EHB) as well as Non-EHBs.

Related to autism benefits, per the "Better Prices, Better Quality, Better Choices for Health Coverage Amendment Act of 2013" passed on 6/4/13 (D.C. Official Code § 31-3171.01, et seq.) we have calculated an increase in claims PMPM of \$1.74 for INM and \$5.15 for SG PMPM for 2015. This is largely for "Applied Behavioral Analysis" (ABA) treatments and is a D.C.-mandated benefit.

Attached exhibits detail adjustments for pediatric dental, mandatory generics, and a new hepatitis C prescription drug, Sovaldi.

- C. **Changes in Demographics:** Comparing the overall CareFirst member-level average age as of 12/31/12 to 3/31/14, we have seen an increase of 0.4 years from 33.8 to 34.2. For BlueChoice the increase is +0.6 from 33.7 to 34.3. For GHMSI the increase is +0.2 years from 33.9 to 34.1.

For INM CF, the average age increased by 2.1 years from 34.0 to 36.1. For BlueChoice the increase is +1.8 from 34.2 to 36.0. For GHMSI the increase is +2.4 years from 33.9 to 36.3.

Age factors will account for a portion of the corresponding increase in claims cost. We find the CMS age curve spread of "3 to 1" to be lower than the "4.5 to 1" that is more correlated with expected claims costs. We have therefore adjusted expected claims costs accordingly in the "experience period" (EP) index rate projection in the "other" category.

- D. **Other Adjustments:** CareFirst is proposing to introduce an incentive program (IP) whereby members can earn medical expense debit cards of as much as \$150 annually, for an individual (\$400 for a family). The cards must be utilized for qualified medical expenses such as deductibles, copays, and out-of-pocket costs. The scope includes all benefit plans within CF's portfolio. This is being done in a revenue-neutral way. That is, the costs to CF of the incentive payments were chosen such that they match the expected savings to CF from more efficacious health care delivery. "HealthyBlue" (HB) was first launched effective 10/1/10 with the objective of motivating and rewarding greater engagement by the member in his or her health, improved wellness and prevention and better provider coordination and quality. As we sought to respond to feedback about HB, subsequent versions were released on 1/1/12 and 10/1/12. This IP represents an evolution of the HB concept. Further, it joins the tenets of HB with our "Patient Centered Medical Home" (PCMH) program which was launched in January, 2011.

The savings has been incorporated in the "Other" category when projecting the EP index rate. The cost of the incentive has been included in "general and administrative expenses." Our aim is that this IP will improve our members' health.

Included in this calculation are decreases to claims costs for 1) a change in our "Pharmacy Benefits Manager" (PBM) in 2014 and 2) a reduction in our fee schedule for out-of-network (OON) utilization for HMO-based products that have an OON option (a.k.a., "NP3").

- E. **Trend Factors (Cost/Utilization):** The proposed trend of 7.0% is an increase of 200 basis points from 2014's 5.0%.

## 6. CREDIBILITY MANUAL RATE DEVELOPMENT:

- A. **Source and Appropriateness of Experience Data Used:** The calendar 2013 base data includes 462,200 member months (average monthly of 38,517) and is therefore considered 100% credible.

B. **Adjustments Made to the Data:** Non-EHBs (adult vision and abortion) were removed to develop the index rate.

C. **Inclusion of Capitation Payments:** A new exhibit lists all capitations.

7. **PAID TO ALLOWED RATIO:** Projected at 74.6%, on average.

8. **RISK ADJUSTMENT AND REINSURANCE:**

A. **Projected Risk Adjustments PMPM:** \$0 due to uncertainty.

B. **Projected ACA Reinsurance Recoveries Net of Reinsurance Premium (Individual Market and Combined Markets Only):** Total reinsurance recoveries are based upon a calendar year (CY) 2015 attachment point of \$70,000, cap of \$250,000, and 50% coinsurance. Total net reinsurance recoveries of \$19.79 PMPM are derived by subtracting the CY2015 reinsurance assessment fee of \$3.67 and reinsurance administrative fee of \$0.11 PMPM from gross recoveries of \$23.57 PMPM.

9. **NON-BENEFIT EXPENSES AND CONTRIBUTION TO RESERVE (CtR):** The 2015 “desired incurred claims ratio” (DICR) has decreased from 77.0% (2014) to 75.1%, due primarily to the medical expense debit card issue described in “Other Adjustments,” above.

A. **Administrative Expense Load:** G&A PMPMs decreased by 7% versus 2014

B. **CtR & Risk Margin:** Remains at 0.0%, break-even.

C. **Taxes and Fees:**

- Community Health Investment of 2.0%.
- Federal Income Tax (FIT) of 0.0%.
- Health Insurer Fee increased 73 basis points to 2.6% considering non-deductibility for tax purposes.
- Patient-Centered Outcomes Research Institute (PCORI) of \$2.11 PMPY (\$0.18 PMPM).
- Reinsurance Payments decreased from \$5.25 PMPM to \$3.67 PMPM.
- Risk Adjustment User Fees remained at \$0.08 PMPM.
- Reinsurance Administrative Fee is \$0.11 PMPM.
- Exchange Assessment Fee of 1.0% for 2015 and 1.0% for 2014 per the “Health Benefit Exchange Authority Financial Sustainability Emergency Amendment Act of 2014” (D.C. Act 20-329) approved on 5/22/14. In addition, there is an additional state assessment fee of 0.04%.

10. **PROJECTED LOSS RATIO:** Our projected DICR for MLR purposes is 80.0%, meeting the 80.0% minimum of “Public Health Service Act” (PHSA) 218. For testing we used the combined experience of INM and SG.

11. **SINGLE RISK POOL (SRP):** Our SRP reflects all covered lives for every non-grandfathered product in our market per 45 CFR Part § 156.80 (d). There are no transitional policies for CareFirst in D.C. This encompasses INM Open Enrollment, HIPAA, Group Conversion and formerly medically underwritten coverages as well as SGs.

12. **INDEX RATE:** The EP index rate is a key component driving the renewal. Last year’s implicit 2013 index rate was \$421 (\$401 + trend of 5.0%). The actual for 2013 is \$413 for a favorable variance of -2%.

For GHMSI the experience period index rates for INM, SG and INM+SG are \$218, \$436 and \$413, respectively. By using the merged index rate, INM goes up by +90% (i.e., \$413 versus \$218) and SG goes down by -5% (i.e., \$413 versus \$436).

For CF the experience period index rates for INM, SG and INM+SG are \$290, \$372 and \$364, respectively. By using the merged index rate, INM goes up by +26% (i.e., \$364 versus \$290) and SG goes down by -2% (i.e., \$364 versus \$372).

The ratio of our composite PPO to HMO rate was 1.41 in 2014. 2015 filings change this ratio to 1.39.

Retail Clinics will have reduced copays to match the primary care physician (PCP) rather than specialist copay with negligible price impact.

A 5-tiered drug structure (Generics-Preferred, Generics-Non-Preferred, Brand Name-Preferred, Brand Name-Non-Preferred, Specialty) is currently used for approximately 20% of our benefits. This is changing to a 4-tier structure by collapsing the Generics tiers.

13. **MARKET ADJUSTED INDEX RATE:** A summary exhibit is provided.
14. **PLAN ADJUSTED INDEX RATES:** Network factors composite to 1.00. The “cost-share” factor includes 1) pricing AVs, 2) H.S.A./Non-H.S.A. factors and 3) benefit generosity. There is only 1 GHMSI network, the PPO/RPN.
15. **CALIBRATION:** Done for age and geography but we have elected not to rate for tobacco usage. Capping dependents under the age of 21 at 3 is implicit in the calibration.
16. **CONSUMER ADJUSTED PREMIUM RATE DEVELOPMENT:** Rate charts are provided.
17. **HHS ACTUARIAL METAL VALUES (AV):** The Federal calculator was used exclusively, without modifications. Printouts for each plan are provided as part of the QHP binder submission under separate cover.

Some AVs changed from last year even though we have the same product portfolio and the Federal calculator “stayed the same.” The reasons are 1) 1 undocumented change of the Federal calculator was to fix it to allow the 150-200% Cost Sharing Reduction (CSR) plans to be run with a gold metal level selected as indicated in the instructions, instead of being forced to run it as platinum contrary to the instructions of last year (3 of the 4 CSR plans stayed in range but have a new AV - one had to have a copay raised to get back into range), 2) for BP Platinum \$0, we correctly ran it as a non-integrated plan this year instead of an integrated plan last year with a negligible impact.
18. **AV PRICING VALUES:** Our 2014 rates had used a 50%/50% blend of CF internal AVs and HHS AVs. We have graded that more toward CF’s AVs for 2015 with 75% CF/25% HHS. The same 2 foundational models were used with minor modifications.
19. **MEMBERSHIP PROJECTIONS:** We had projected 20% of enrollment in PPO plans as of 12/31/14 in our 2014 filings. Actual data as of 5/12/14 indicate that PPO comprises 23% of our CF members. We had also expected 5% of enrollment in Platinum plans versus actuals of 23%. We incorporated both of these facts in projecting 12/31/15 enrollment. As of 5/12/14 we have 6,205 INM members and 16,960 SG members in metaled products.
20. **TERMINATED PRODUCTS:** Not applicable.
21. **PLAN TYPE:** PPO.
22. **WARNING ALERTS:** Per the District's instructions, we have developed our index rate with combined Small Group/Individual experience which is filled in on Worksheet 1 of the URRT, but have developed plan level rates separately as the markets are remaining separate from the federal perspective. Therefore, Worksheet 2 has only the Individual market's plan data, and all of the warnings have been triggered because the Individual totals on Worksheet 2 are less than the combined Small Group/Individual totals on Worksheet 1.

23. **RELIANCE:** None.



**Group Hospitalization & Medical Services, Inc. (GHMSI)  
d.b.a. CareFirst BlueCross BlueShield  
(NAIC # 53007)**

**DC Individual Exchange Products  
Rates Effective 1/1/2015**

**Actuarial Memorandum**

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**

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**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2015**  
**Actuarial Certification**

I, Todd Switzer, am the Senior Director of Actuarial Pricing with CareFirst BlueCross BlueShield of which Group Hospitalization and Medical Services, Incorporated is a subsidiary. I am a member of the American Academy of Actuaries. I have been involved in the development of these rates, and to the best of my knowledge and understanding, the rates in this filing have been developed in accordance with the available regulations and guidance for the Individual, non-Medigap market (on exchange) in the District of Columbia for business effective 1/1/2014. The actuarial values (AV) of the benefits proposed have been calculated with the minimally necessary modifications to the HHS AV calculator. Further, the Index rate has been developed based on my best understanding of the available regulations, guidance and sound actuarial practices and assumptions in the aggregate for the legal entity. I certify the following:

1. I am a member in good standing with the American Academy of Actuaries.
2. The projected index rate complies with applicable statutes based on my best understanding of the available guidance and sound actuarial practice and is in accordance with applicable actuarial standards including ASOP 8. The Actuarial Memorandum has been developed following the format and content prescribed in the CCIO instructions for Part III – Actuarial Memorandum.
3. The projected index rate is reasonable in relation to the projected benefits and the projected population and is based on a plausible scenario that assumes a more favorable view of the morbidity in the Individual market in the District of Columbia as described in the Actuarial Memorandum. Given the significant changes in the Individual market from 2014-2016, it is possible that the projected index rate could miss the true costs by a considerable margin up or down. If this occurs, I expect the ACA risk mitigation techniques to dampen the impact of such pricing actions with the intent to achieve long-term target pricing by the end of 2016.
4. The plan level rates are developed based only on allowed index rate modifiers in accordance with 45 CFR 156.80(d)(1) and (2) and have been calibrated to account for prescribed rating factors.
5. The percent of total premiums related to Essential Health Benefits has been estimated based on sound actuarial practice.
6. The Actuarial Values have been calculated using the HHS calculator without modification.

I further certify that the information in this filing represents the company's best understanding of the available guidance and regulations with regards to the rating of these products. This filing will be revised as applicable as any new guidance is released.

This filing has been prepared in accordance with the applicable Actuarial Standards of Practice.

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Todd Switzer, ASA, MAAA  
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CareFirst BlueCross BlueShield  
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Owings Mills, MD 21117

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2015**  
**Form Numbers**

**Form Numbers Associated With This Filing:**

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\*This list contains the applicable forms for the ACA products.

<b>BluePreferred</b>
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DC/CF/EXC/BP/IEA (1/14)  
DC/CF/SHOP/EXC/DOCS (1/14)  
DC/CF/EXC/NATAMER (1/14)  
DC/GHMSI/DOL APPEAL (R. 11/11)  
DC/CF/MEM/BLCRD (1/12)  
DC/CF/ANCILLARY AMEND (10/12)  
DC/GHMSI/HEALTH GUARANTEE 2/08  
DC/CF/PT PROTECT (9/10)  
DC/CF/EXC/2015 AMEND (1/15)  
DC/CF/DB/PPO/INCENTIVE (1/15)  
DC/CF/EXC/BP/BRZ SOB (R. 1/15) (Bronze Metal Level)  
DC/CF/EXC/BP/NATAMER SOB (R. 1/15)  
DC/CF/EXC/BP/PLAT SOB (R. 1/15) (Platinum Metal Level)

<b>BP Multi-State Plan</b>
----------------------------

DC/CF/EXC/MSP/BP/IEA (1/14)  
DC/CF/MSP/DB/APPEAL (1/14)  
DC/CF/SHOP/EXC/DOCS (1/14)  
DC/CF/EXC/NATAMER (1/14)  
DC/CF/MSP/EXCLUSION (1/14)  
DC/CF/MEM/BLCRD (1/12)  
DC/CF/ANCILLARY AMEND (10/12)  
DC/GHMSI/HEALTH GUARANTEE 2/08  
DC/CF/PT PROTECT (9/10)  
DC/CF/EXC/2015 AMEND (1/15)  
DC/CF/DB/PPO/INCENTIVE (1/15)  
DC/CF/EXC/BP/GOLD SOB (R. 1/15) (Gold Metal Level)  
DC/CF/EXC/BP/SIL SOB (R. 1/15) (Silver Metal Level)  
DC/CF/EXC/BP/SIL 74 SOB (R. 1/15) (Silver Metal Level 200-250% FPL)  
DC/CF/EXC/BP/SIL 88 SOB (R. 1/15) (Silver Metal Level 150-200% FPL)  
DC/CF/EXC/BP/SIL 95 SOB (R. 1/15) (Silver Metal Level 100-150% FPL)

Group Hospitalization & Medical Services, Inc. (GHMSI)  
d.b.a. CareFirst BlueCross BlueShield  
(NAIC # 53007)  
DC Individual Exchange Products  
Rates Effective 1/1/2015  
HIOS Product IDs

ACA Products Projection Period

HIOS Product ID	HIOS Product Name	HIOS Plan ID	Suffix	HIOS Plan Name	On/Off Exchange	Product Type	Abortion Coverage	Actuarial Value	Metal Level	Unique Plan	Projected Members 12/31/2015
78079DC020	BluePreferred HSA	78079DC0200001	01	BluePreferred HSA Bronze \$3,500	On	PPO	Yes	61.2%	Bronze	No	1,079
78079DC018	BluePreferred HSA Multi-State Plan	78079DC0180001	01	BlueCross BlueShield Preferred 1500, A Multi-State Plan Base	On	PPO	Yes	68.4%	Silver	No	987
78079DC018	BluePreferred HSA Multi-State Plan	78079DC0180001	06	BlueCross BlueShield Preferred 1500, A Multi-State Plan 94%	On	PPO	Yes	93.2%	Silver	No	-
78079DC018	BluePreferred HSA Multi-State Plan	78079DC0180001	05	BlueCross BlueShield Preferred 1500, A Multi-State Plan 87%	On	PPO	Yes	87.6%	Silver	No	-
78079DC018	BluePreferred HSA Multi-State Plan	78079DC0180001	04	BlueCross BlueShield Preferred 1500, A Multi-State Plan 73%	On	PPO	Yes	73.7%	Silver	No	150
78079DC016	BluePreferred Multi-State Plan	78079DC0160001	01	BlueCross BlueShield Preferred 500, A Multi-State Plan	On	PPO	Yes	78.3%	Gold	No	1,221
78079DC021	BluePreferred	78079DC0210001	01	BluePreferred Platinum \$0	On	PPO	Yes	88.2%	Platinum	No	1,763
											5,200

Existing Products Included in Experience Period

HIOS Product ID	HIOS Product Name	Contracts, as of 12/31/2013	Member Months	Total Premium	Total Allowed Claims	Incurred Claims
78079DC003	BluePreferred HSA	1,895	28,608	\$ 4,389,853	\$ 4,764,557	\$ 2,867,107
78079DC005	BluePreferred HIPAA	57	672	\$ 752,031	\$ 1,237,825	\$ 1,107,156
78079DC012	BluePreferred	958	13,506	\$ 4,070,115	\$ 3,564,814	\$ 2,696,631
78079DC013	BluePreferred Saver	307	4,423	\$ 785,061	\$ 660,781	\$ 311,727
78079DC014	BluePreferred Group Conversion	30	482	\$ 371,614	\$ 149,726	\$ 113,175
Total		3,247	47,691	\$ 10,368,674	\$ 10,377,703	\$ 7,095,796

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**

<b>Acronym</b>	<b>Definition</b>
GHMSI	Group Hospitalization and Medical Services, Inc.
AV	Actuarial Value
Med	Medical
Rx	Prescription Drugs
Non-CDH	Non- Consumer Driven Health
CDH	Consumer Driven Health
HSA	Health Savings Account
HRA	Health Reimbursement Account
PPO	Preferred Provider Organization
PPO HSA	Preferred Provider Organization Health Savings Account
PPO HRA	Preferred Provider Organization Health Reimbursement Arrangement
DICR	Desired Incurred Claims Ratio
MLR	Medical Loss Ratio (as defined by PPACA)
IBNR	Incurred But Not Reported
IAF	Income Adjustment Factors
PCP	Primary Care Physician
ER	Emergency Room
OON	Out of Network
IP	Inpatient
OP	Outpatient
Prof	Professional
OOP	Out of Pocket
Co-ins	Coinsurance

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**IND64- GHMSI RATE CHANGE SUMMARY**

1	2	3	4	6	7	8	8	9	10	11	12	13	14	15
			RATE FILING		ACTUALS A/O 05/12/14									
			Projected Members 12/31/14						Actual-Filing	HHS	Base	HHS	Base	
	<u>Benefit Plan</u>	<u>Subsidies</u>	<u>FPL</u>	<u>PUBLIC</u>	<u>%</u>	<u>ON-EXCH</u>	<u>PRIVATE</u>	<u>TOTAL</u>	<u>%</u>	<u>Δ</u>	<u>AV</u>	<u>Rate</u>	<u>AV</u>	<u>Rate</u>
				<u>ON-EXCH</u>			<u>OFF-EXCH</u>				<u>2014</u>	<u>1/1/14</u>	<u>2015</u>	<u>1/1/15</u>
														<u>Δ</u>
1														
2														
3	BluePreferred HSA Bronze \$3,500			1,181	43%	311		311	21%	-22%	0.612	\$ 238	0.612	\$ 263 10.4%
4														
5														
6	BluePreferred HSA Silver \$1,500	APTC & CSR	100-150%	152	6%				0%	-6%	0.932	\$ 301	0.932	\$ 314 4.1%
7		APTC & CSR	151%-200%	169	6%				0%	-6%	0.873	\$ 301	0.876	\$ 314 4.1%
8		APTC & CSR	201-250%	151	6%	43		43	3%	-3%	0.737	\$ 301	0.737	\$ 314 4.1%
9		APTC	251-400%		0%				0%	0%				
10														
11														
12														
13	BluePreferred Gold \$500			405	15%	352		352	23%	9%	0.783	\$ 376	0.783	\$ 425 13.3%
14														
15														
16	BluePreferred Platinum \$0			203	7%	508		508	34%	26%	0.882	\$ 469	0.882	\$ 541 15.3%
17														
18														
19														
20														
21														
22														

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**IND64- CFI RATE CHANGE SUMMARY**

				RATE FILING		ACTUALS A/O 05/12/14								
				Projected Members 12/31/14										
	Benefit Plan	Subsidies	FPL	PUBLIC ON-EXCH	%	PUBLIC ON-EXCH	%	Actual- Filing Δ	HHS AV 2014	Base Rate 1/1/14	HHS AV 2015	Base Rate 1/1/15	Δ	
1	Catastrophic/Young Adult			675	5%	334	5%	0%	N/A	\$ 99	N/A	\$ 123	24.1%	
2														
3	<b>Bronze Plans</b>													
4	BluePreferred HSA Bronze \$3,500			1,181	9%	311	5%	-4%	0.612	\$ 238	0.612	\$ 263	10.4%	
5	BlueChoice HSA Bronze \$4,000			1,654	12%	720	11%	-1%	0.601	\$ 176	0.601	\$ 198	12.5%	
6	BlueChoice Plus Bronze \$5,500			945	7%	218	3%	-4%	0.613	\$ 209	0.615	\$ 224	7.2%	
7	BlueChoice HSA Bronze \$6,000			945	7%	612	9%	2%	0.592	\$ 171	0.592	\$ 191	12.0%	
8	<b>Subtotal:</b>			<b>4,725</b>	<b>35%</b>	<b>1,861</b>	<b>28%</b>	<b>-7%</b>	<b>0.601</b>	<b>\$ 188</b>	<b>0.602</b>	<b>\$ 210</b>	<b>11.2%</b>	
9														
10	<b>Silver Plans</b>													
11	BlueChoice HSA Silver \$1,300	APTC & CSR	100-150%	348	3%		0%	-3%	0.932	\$ 245	0.932	\$ 263	7.4%	
12		APTC & CSR	151%-200%	387	3%		0%	-3%	0.877	\$ 245	0.879	\$ 263	7.4%	
13		APTC & CSR	201-250%	345	3%	95	1%	-1%	0.735	\$ 245	0.735	\$ 263	7.4%	
14		APTC	251-400%		0%		0%							
15			401%+	1,080	8%	624	9%	1%	0.696	\$ 245	0.696	\$ 263	7.4%	
16	<b>Subtotal:</b>			<b>2,160</b>	<b>16%</b>	<b>719</b>	<b>11%</b>	<b>-5%</b>	<b>0.702</b>	<b>\$ 245</b>	<b>0.702</b>	<b>\$ 263</b>	<b>7.4%</b>	
17														
18	BluePreferred HSA Silver \$1,500	APTC & CSR	100-150%	152	1%		0%	-1%	0.932	\$ 301	0.932	\$ 314	4.1%	
19		APTC & CSR	151%-200%	169	1%		0%	-1%	0.873	\$ 301	0.876	\$ 314	4.1%	
20		APTC & CSR	201-250%	151	1%	43	1%	0%	0.737	\$ 301	0.737	\$ 314	4.1%	
21		APTC	251-400%		0%		0%							
22			401%+	473	4%		4%	1%	0.684	\$ 301	0.684	\$ 314	4.1%	
23	<b>Subtotal:</b>			<b>945</b>	<b>7%</b>	<b>328</b>	<b>5%</b>	<b>-2%</b>	<b>0.691</b>	<b>\$ 301</b>	<b>0.691</b>	<b>\$ 314</b>	<b>4.1%</b>	
24														
25	BlueChoice Silver \$2,000	APTC & CSR	100-150%	217	2%		0%	-2%	0.932	\$ 249	0.932	\$ 280	12.5%	
26		APTC & CSR	151%-200%	242	2%		0%	-2%	0.878	\$ 249	0.877	\$ 280	12.5%	
27		APTC & CSR	201-250%	216	2%	40	1%	-1%	0.726	\$ 249	0.728	\$ 280	12.5%	
28		APTC	251-400%		0%		0%							
29			401%+	675	5%		4%	-1%	0.688	\$ 249	0.690	\$ 280	12.5%	
30	<b>Subtotal:</b>			<b>1,350</b>	<b>10%</b>	<b>305</b>	<b>5%</b>	<b>-5%</b>	<b>0.693</b>	<b>\$ 249</b>	<b>0.695</b>	<b>\$ 280</b>	<b>12.5%</b>	
31														
32	BlueChoice Plus Silver \$2,500	APTC & CSR	100-150%	152	1%		0%	-1%	0.937	\$ 266	0.937	\$ 279	4.6%	
33		APTC & CSR	151%-200%	169	1%		0%	-1%	0.878	\$ 266	0.879	\$ 279	4.6%	
34		APTC & CSR	201-250%	151	1%	21	0%	-1%	0.739	\$ 266	0.739	\$ 279	4.6%	
35		APTC	251-400%		0%		0%							
36			401%+	473	4%	137	2%	-1%	0.701	\$ 266	0.702	\$ 279	4.6%	
37	<b>Subtotal:</b>			<b>945</b>	<b>7%</b>	<b>157</b>	<b>2%</b>	<b>-5%</b>	<b>0.706</b>	<b>\$ 266</b>	<b>0.707</b>	<b>\$ 279</b>	<b>4.6%</b>	
38														
39	<b>Gold Plans</b>													
40	BlueChoice Gold \$0			810	6%	265	4%	-2%	0.793	\$ 333	0.793	\$ 343	2.8%	
41	BluePreferred Gold \$500			405	3%	352	5%	2%	0.783	\$ 376	0.783	\$ 425	13.3%	
42	BlueChoice Gold \$1,000			203	2%	462	7%	5%	0.783	\$ 284	0.783	\$ 333	17.3%	
43	HealthyBlue Gold \$1,500			608	5%	294	4%	0%	0.820	\$ 335	0.820	\$ 372	11.0%	
44	<b>Subtotal:</b>			<b>2,025</b>	<b>15%</b>	<b>1,373</b>	<b>21%</b>	<b>6%</b>	<b>0.793</b>	<b>\$ 328</b>	<b>0.793</b>	<b>\$ 367</b>	<b>11.9%</b>	
45														
46	<b>Platinum Plans</b>													
47	HealthyBlue Platinum \$0			473	4%	1,045	16%	12%	0.900	\$ 380	0.898	\$ 454	19.3%	
48	BluePreferred Platinum \$0			203	2%	508	8%	6%	0.882	\$ 469	0.882	\$ 541	15.3%	
49	<b>Subtotal:</b>			<b>675</b>	<b>5%</b>	<b>1,554</b>	<b>23%</b>	<b>18%</b>	<b>0.894</b>	<b>\$ 409</b>	<b>0.893</b>	<b>\$ 482</b>	<b>17.8%</b>	
50	<b>TOTAL:</b>			<b>13,500</b>	<b>100%</b>	<b>6,631</b>	<b>100%</b>	<b>0%</b>		<b>\$ 281</b>		<b>\$ 317</b>	<b>13.0%</b>	
51				<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>							
52														
53	BlueChoice			10,766	80%	5,132	77%	-2%	0.732	\$ 257	0.731	\$ 291	13.4%	
54	GHMSI			2,734	20%	1,499	23%	2%	0.761	\$ 363	0.761	\$ 406	12.1%	
55	<b>Subtotal:</b>			<b>13,500</b>	<b>100%</b>	<b>6,631</b>	<b>100%</b>	<b>0%</b>	<b>0.738</b>	<b>\$ 281</b>	<b>0.738</b>	<b>\$ 317</b>	<b>13.0%</b>	
56														
57	<b>PPO/HMO Ratio:</b>								<b>1.41</b>		<b>1.39</b>			
58														
59	LOW RENEWAL (Minimum):													2.8%
60	HIGH RENEWAL (Maximum):													24.1%



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Morbidity Impact on Small Group/Individual HMO/PPO combined**

The current combined Individual/Small Group non-Grandfathered pool is expected to increase from approximately 72,700 members today to approximately 94,000 members in 2015. This 21,300 member increase is expected to come from an influx of the following new entrants:

- a) Prior IND64- grandfathered members (Underwritten, HIPAA, Group Conversion, Open Enrollment) - ~1,100 members
- b) Former large group enrollees - ~2,000 members
- c) Former small group enrollees - ~500 members
- d) Newly insured entrants who were formerly uninsured - ~3,000 members
- e) Congress - ~10,100 members
- f) Competitors - ~4,600 members

The estimated average morbidity of these 21,300 new entrants is approximately 0.99 compared to the current Small Group/Individual merged pool and when blended with the 1.00 morbidity of the current pool, yields a resultant 2015 morbidity of 1.00 in relation to the current non-Grandfathered pool.

Group Hospitalization & Medical Services, Inc. (GHMSI)  
D.C. Individual & Small Group Products - Rate Filing Effective 1/1/2014  
GHMSI D.C. Individual Non-Medigap & Small Group Allowed PMPM Projection (Includes EHB and Non-EHB Claims) - Non-Grandfathered Business Only - 1/1/2015 (MERGED)

	Begin	End	Mid-point	Months of Trend	
Experience Period	1/1/2013	12/31/2013	7/1/2013		
Rating Period	1/1/2015	12/31/2015	7/1/2015	24.0	pd through 3/31/2014
Experience Period Summary	Total				
Experience Period Premiums	\$	192,950,934			
MLR Rebates	\$	-			
Net Experience Period Premiums	\$	192,950,934			
Experience Period Paid Claims (Non-Capitated)	\$	169,370,060			
Completion Factor		0.99			
Experience Period Incurred Claims (Non-Capitated)	\$	170,971,028			
Capitations	\$	589,848			
Rx Rebates	\$	(2,928,482)			
Other Manual Claims	\$	-			
Total Experience Period Claims	\$	168,632,395			
Experience Period Loss Ratio (Before MLR Rebates)		87.40%			
Experience Period Loss Ratio (After MLR Rebates)		87.40%			
Experience Period Loss Ratio (System Claims Only)		88.61%			
Experience Period Member Months		462,200			
Average Members		38,517			
End of Experience Period Contracts		21,905			
End of Experience Period Members		39,428			
Experience Period Allowed Claims (Non-Capitated)	\$	193,237,257			
Adjustments	\$	(2,338,633)			
Total Adjusted EP Allowed Claims	\$	190,898,624			
EP Paid / Allowed Ratio		88.3%			

Service Category Level Projection

Service Category Experience Period Allowed	Utilization Measure	EP Units	EP Allowed \$	Other	Rx Rebates	Net Allowed
Inpatient	Admits	2,098	\$ 32,308,552	\$ -	\$ -	\$ 32,308,552
Outpatient	Visits	32,289	\$ 38,455,250	\$ -	\$ -	\$ 38,455,250
Professional	Visits	402,542	\$ 63,889,209	\$ -	\$ -	\$ 63,889,209
Other	Services	35,103	\$ 9,933,413	\$ -	\$ -	\$ 9,933,413
Rx	Scripts	358,444	\$ 48,650,833	\$ -	\$ (2,928,482)	\$ 45,722,351
Capitation	Average Members	38,517	\$ 589,848	\$ -	\$ -	\$ 589,848
Total			\$ 193,827,106	\$ -	\$ (2,928,482)	\$ 190,898,624
PMPM			\$ 419.36	\$ -	\$ (6.34)	\$ 413.02

Annual Trend Inputs	
Cost Trend	Utilization Trend
5.0%	0.0%
8.0%	2.0%
2.5%	2.5%
10.0%	6.0%
7.5%	-1.5%
2.0%	0.0%

Service Category Experience Period Allowed	Utilization Measure	Experience Period			Projection Factors			Cost Factor	Utilization Factor	Total Factor	Projected			Effective Allowed PMPM
		Util / 1000	Unit Cost	PMPM	Population Risk / Morbidity*	Other					Util / 1000	Unit Cost	PMPM	
Inpatient	Admits	54.47	\$ 15,400.57	\$ 69.90	1.00	0.989		1.103	1.000	1.09	54.47	\$ 16,797.41	\$ 76.24	Annual Trend 5.0%
Outpatient	Visits	838.30	\$ 1,190.99	\$ 83.20	1.00	0.989		1.166	1.040	1.20	872.17	\$ 1,374.30	\$ 99.89	10.2%
Professional	Visits	10,451.10	\$ 158.71	\$ 138.23	1.00	1.024		1.051	1.051	1.13	10,980.19	\$ 170.71	\$ 156.21	5.1%
Other	Services	911.38	\$ 282.98	\$ 21.49	1.00	1.168		1.210	1.124	1.59	1,024.02	\$ 400.05	\$ 34.14	16.6%
Rx	Scripts	9,306.21	\$ 127.56	\$ 98.92	1.00	0.956		1.156	0.970	1.07	9,029.11	\$ 140.94	\$ 106.04	5.9%
Capitation	Benefit Period	1,000.00	\$ 15.31	\$ 1.28	1.00	0.984		1.040	1.000	1.02	1,000.00	\$ 15.68	\$ 1.31	2.0%
Total				\$ 413.02										
Projected Allowed Claims PMPM (EHB + Non-EHB)												\$ 473.82		7.0%
Non-EHB Claims in Projected PMPM**												\$ 1.13		
Index Rate for EHB												\$ 472.69		

\* Please refer to page 61 for more information.

\*\* Includes abortion, hair prosthesis, and morbid obesity claims, and capitation for core vision benefit.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**GHMSI Trend Support - Combined**

		<b>Experience Period Actual Trend</b>		<b>Projection Period Trend</b>		<b>Difference Exp vs. Proj trend</b>	
		<b>Average rolling - 12 Month Trend</b>		<b>Average rolling - 12 Month Trend</b>			
	<b>Total Allowed</b>	<b>Unit Cost</b>	<b>Utilization</b>	<b>Unit Cost</b>	<b>Utilization</b>	<b>Unit Cost</b>	<b>Utilization</b>
<b>Inpatient</b>	<b>\$ 32,308,552</b>	3.5%	-1.3%	5.0%	0.0%	1.5%	1.3%
<b>Outpatient</b>	<b>\$ 38,455,250</b>	8.1%	0.1%	8.0%	2.0%	-0.1%	1.9%
<b>Professional</b>	<b>\$ 63,889,209</b>	2.3%	0.5%	2.5%	2.5%	0.2%	2.0%
<b>Other</b>	<b>\$ 9,933,413</b>	8.0%	5.3%	10.0%	6.0%	2.0%	0.7%
<b>Rx</b>	<b>\$ 48,650,833</b>	6.7%	-1.4%	7.5%	-1.5%	0.8%	-0.1%
<b>Total</b>	<b>\$ 193,237,257</b>	<b>5.1%</b>	<b>-0.1%</b>	<b>5.7%</b>	<b>1.2%</b>	<b>0.6%</b>	<b>1.3%</b>
<b>Total Trend (Cost &amp; Utilization combined)</b>			<b>5.0%</b>		<b>7.0%</b>		<b>1.9%</b>

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Reinsurance Estimate**

**BC Benefit Factor Modeling**

**Base 2013 MSGR CPD**

PMPM	\$	280.88
	\$	<b>280.88</b>
99.92%	\$	<b>3,370.57</b>

Frequency	Total Paid
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No Claims	18.56%	\$ -
\$ 0 - \$ 49	3.50%	\$ 19.65
\$ 50 - \$ 99	3.29%	\$ 78.28
\$ 100 - \$ 149	3.86%	\$ 124.83
\$ 150 - \$ 199	3.27%	\$ 174.47
\$ 200 - \$ 249	2.85%	\$ 225.38
\$ 24,000 - \$ 24,999	0.13%	\$ 24,578.29
\$ 25,000 - \$ 29,999	0.49%	\$ 27,509.24
\$ 30,000 - \$ 34,999	0.35%	\$ 32,446.11
\$ 35,000 - \$ 39,999	0.27%	\$ 37,474.94
\$ 40,000 - \$ 44,999	0.19%	\$ 42,497.79
\$ 45,000 - \$ 49,999	0.15%	\$ 47,627.49
\$ 50,000 - \$ 54,999	0.12%	\$ 52,595.92
\$ 55,000 - \$ 59,999	0.10%	\$ 57,587.06
\$ 60,000 - \$ 64,999	0.08%	\$ 62,670.17
\$ 65,000 - \$ 69,999	0.06%	\$ 67,656.07
\$ 70,000 - \$ 74,999	0.05%	\$ 72,784.83
\$ 75,000 - \$ 79,999	0.04%	\$ 77,675.06
\$ 80,000 - \$ 84,999	0.04%	\$ 82,894.46
\$ 85,000 - \$ 89,999	0.03%	\$ 87,825.27
\$ 90,000 - \$ 94,999	0.03%	\$ 92,957.06
\$ 95,000 - \$ 99,999	0.03%	\$ 97,721.12
\$100,000 - \$104,999	0.02%	\$ 103,261.63
\$105,000 - \$109,999	0.02%	\$ 107,835.25
\$110,000 - \$114,999	0.02%	\$ 113,176.34
\$115,000 - \$119,999	0.01%	\$ 117,663.98
\$120,000 - \$124,999	0.02%	\$ 123,001.76
\$125,000 - \$129,999	0.01%	\$ 127,981.00
\$130,000 - \$134,999	0.01%	\$ 133,624.21
\$135,000 - \$139,999	0.01%	\$ 137,757.12
\$140,000 - \$144,999	0.01%	\$ 142,633.69
\$145,000 - \$149,999	0.01%	\$ 147,890.87
\$150,000 - \$154,999	0.01%	\$ 153,070.20
\$155,000 - \$159,999	0.01%	\$ 157,927.92
\$160,000 - \$164,999	0.01%	\$ 163,808.96
\$165,000 - \$169,999	0.01%	\$ 167,769.12
\$170,000 - \$174,999	0.01%	\$ 172,068.51
\$175,000 - \$179,999	0.00%	\$ 178,392.63
\$180,000 - \$184,999	0.00%	\$ 184,483.77
\$185,000 - \$189,999	0.00%	\$ 189,160.14
\$190,000 - \$194,999	0.00%	\$ 192,795.68
\$195,000 - \$199,999	0.00%	\$ 197,706.50
\$200,000 - \$204,999	0.00%	\$ 202,424.91
\$205,000 - \$209,999	0.00%	\$ 209,467.86
\$210,000 - \$214,999	0.00%	\$ 214,030.78
\$215,000 - \$219,999	0.00%	\$ 220,014.30
\$220,000 - \$224,999	0.00%	\$ 223,270.38
\$225,000 - \$229,999	0.00%	\$ 230,287.35
\$230,000 - \$234,999	0.00%	\$ 233,979.65
\$235,000 - \$239,999	0.00%	\$ 241,934.50
\$240,000 - \$244,999	0.00%	\$ 245,076.41
\$245,000 - \$249,999	0.00%	\$ 244,035.39
\$250,000 - \$254,999	0.00%	\$ 254,077.38
\$255,000 - \$259,999	0.00%	\$ 258,268.42
\$260,000 - \$264,999	0.00%	\$ 263,897.19
\$265,000 - \$269,999	0.00%	\$ 268,043.00
\$270,000 - \$274,999	0.00%	\$ 275,786.33
\$275,000 - \$279,999	0.00%	\$ 277,849.94
\$280,000 - \$284,999	0.00%	\$ 283,203.22
\$285,000 - \$289,999	0.00%	\$ 287,482.62
\$290,000 - \$294,999	0.00%	\$ 293,362.02
\$295,000 - \$299,999	0.00%	\$ 298,293.04
\$300,000 - \$9,999,999	0.03%	\$ 460,496.96

**Projected 2015 Total CPD**

Proj PMPM	\$	<b>352.52</b>	From DICR tabs
Calc PMPM	\$	<b>396.12</b>	Computed from assume reins

100.00%	\$	<b>4,753.46</b>	distribution
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Frequency	Total Paid	Reinsured
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23.67%	\$ -	\$ -
3.15%	\$ 20.14	\$ -
2.96%	\$ 80.24	\$ -
3.48%	\$ 127.95	\$ -
2.95%	\$ 178.83	\$ -
2.56%	\$ 231.01	\$ -
0.24%	\$ 25,192.75	\$ -
0.94%	\$ 28,196.98	\$ -
0.68%	\$ 33,257.27	\$ -
0.52%	\$ 38,411.81	\$ -
0.37%	\$ 43,560.23	\$ -
0.28%	\$ 48,818.17	\$ -
0.23%	\$ 53,910.82	\$ -
0.19%	\$ 59,026.74	\$ -
0.16%	\$ 64,236.93	\$ -
0.12%	\$ 69,347.47	\$ -
0.10%	\$ 74,604.45	\$ 2,302.23
0.08%	\$ 79,616.93	\$ 4,808.47
0.07%	\$ 84,966.82	\$ 7,483.41
0.06%	\$ 90,020.90	\$ 10,010.45
0.06%	\$ 95,280.98	\$ 12,640.49
0.05%	\$ 100,164.14	\$ 15,082.07
0.04%	\$ 105,843.17	\$ 17,921.59
0.04%	\$ 110,531.13	\$ 20,265.57
0.04%	\$ 116,005.75	\$ 23,002.88
0.03%	\$ 120,605.58	\$ 25,302.79
0.03%	\$ 126,076.80	\$ 28,038.40
0.03%	\$ 131,180.53	\$ 30,590.26
0.02%	\$ 136,964.82	\$ 33,482.41
0.02%	\$ 141,201.05	\$ 35,600.53
0.02%	\$ 146,199.53	\$ 38,099.77
0.02%	\$ 151,588.14	\$ 40,794.07
0.01%	\$ 156,896.96	\$ 43,448.48
0.02%	\$ 161,876.12	\$ 45,938.06
0.02%	\$ 167,904.18	\$ 48,952.09
0.01%	\$ 171,963.34	\$ 50,981.67
0.01%	\$ 176,370.22	\$ 53,185.11
0.01%	\$ 182,852.45	\$ 56,426.22
0.01%	\$ 189,095.87	\$ 59,547.93
0.01%	\$ 193,889.14	\$ 61,944.57
0.00%	\$ 197,615.57	\$ 63,807.79
0.01%	\$ 202,649.16	\$ 66,324.58
0.01%	\$ 207,485.54	\$ 68,742.77
0.01%	\$ 214,704.56	\$ 72,352.28
0.00%	\$ 219,381.55	\$ 74,690.77
0.01%	\$ 225,514.65	\$ 77,757.33
0.01%	\$ 228,852.14	\$ 79,426.07
0.00%	\$ 236,044.54	\$ 83,022.27
0.00%	\$ 239,829.15	\$ 84,914.57
0.00%	\$ 247,982.86	\$ 88,991.43
0.00%	\$ 251,203.32	\$ 90,000.00
0.00%	\$ 250,136.27	\$ 90,000.00
0.00%	\$ 260,429.31	\$ 90,000.00
0.00%	\$ 264,725.13	\$ 90,000.00
0.00%	\$ 270,494.61	\$ 90,000.00
0.00%	\$ 274,744.08	\$ 90,000.00
0.00%	\$ 282,680.98	\$ 90,000.00
0.00%	\$ 284,796.18	\$ 90,000.00
0.00%	\$ 290,283.30	\$ 90,000.00
0.00%	\$ 294,669.68	\$ 90,000.00
0.00%	\$ 300,696.07	\$ 90,000.00
0.00%	\$ 305,750.37	\$ 90,000.00
0.06%	\$ 472,009.38	\$ 90,000.00

		% Claims (DICR)
Reinsurance Recoveries	\$ <b>23.57</b>	6.7%
Less Reinsurance fee	<b>(\$3.78)</b>	
Net Reinsurance for Plan Derivation Tab	\$ 19.79	5.6%

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2015**  
**Single Risk Pool Desired Incurred Claims Ratio (DICR) and Average Pool Renewal**

Projected Allowed Claims PMPM (EHB and NonEHB)	Total \$	474.76
Projected Paid / Allowed Ratio		<b>74.6%</b>
Reinsurance Factor		94.4%

		PMPM %	
Projected Paid Claims (+ Capitations)	\$	334.18	75.1%
Admin Costs	\$	56.00	12.6%
Patient Outcome Tax	\$	0.18	0.0%
Reinsurance			
Risk Adjustment User Fees	\$	0.08	0.0%
Broker Commissions & Fees	\$	14.06	3.2%
Contrib to Reserve	\$	-	0.0%
Invst Income Credit	\$	(0.00)	0.0%
Premium Taxes/Community Health Investment	\$	8.90	2.0%
Assessment Fees	\$	0.19	0.0%
Federal Income Tax	\$	-	0.0%
State Income Tax	\$	-	0.0%
Incentive Program	\$	10.75	2.4%
Exchange Fee (2015)	\$	4.45	1.0%
General Insurer Tax	\$	11.68	2.6%
Exchange Fee (2014)	\$	4.45	1.0%
<b>Total</b>	<b>\$</b>	<b>444.93</b>	<b>100.0%</b>

i = incurred Claims	\$	354.06
q = quality improvemen (net after MLR reclass from care)	\$	1.91
p = earned premiums	\$	444.54
t = state and federal taxes	\$	25.27
f = licensing and regulatory fee including reinsurance	\$	3.86
n = risk corridor/risk adjustment payments	\$	-
r = risk corridor/risk adjustment receipts	\$	-
s - Reinsurance receipts	\$	23.57
c = credibility adjustment		0%

Numerator	\$	332.40
Denominator (same as p - t - f)	\$	415.41
Adjusted MLR		<b>80.02%</b>

**QI adjustment:**

2013 Care data	\$	28,231,727
Care data removed from claims for MLR purposes	\$	(652,112)
Quality Improvement Expenses	\$	804,676
Net QI adjustment	\$	152,564
QI Adjustment as % of care		<b>0.54%</b>

$$MLR = \frac{[(i + q - s + n - r)]}{[(p + s - n + r) - t - f - (s - n + r)]} + c$$

Denominator simplifies to: p-t-f

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**IND64- DC GHMSI PLAN LEVEL DERIVATIONS**

	1	2	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	24	25
		ON-Exchange 2015 Projected EMMs	TOTAL 2015 Projected EMMs		PROJ INDEX RATE (Ave ALW EHB)	Market-Level Adjustments (MLA)				Mkt-Adj INDEX RATE (Post-MLA)	Plan-Level Adjustments (PLA)						Plan-Adj INDEX RATE (Plan-Level)	Pricing AV (vs Plat)		Normalization/Calibration Allowable Rating Factors			Consumer Adjusted PREMIUM RATES
		Benefit Plan		%		Reins.	Risk Adj	Exch User Fees	Cumul.		Cost Share	Network & UM	Non-EHB	Catas	("HB5") Distrib & Admin	Cumul.			HHS AV	Age	Geo	Cumul.	1Q15
1																							
2																							
3	BluePreferred HSA Bronze \$3,500	11,563	11,563	21%	\$473	0.944	1.000	1.000	0.944	\$446	0.481	1.000	1.004	1.000	1.331	0.644	\$287	48.5%	61.2%	0.914	1.000	0.914	\$263
4																							
5																							
6	BluePreferred HSA Silver \$1,500	12,193	12,193	22%	\$473	0.944	1.000	1.000	0.944	\$446	0.576	1.000	1.002	1.000	1.331	0.769	\$343	58.0%	68.4%	0.914	1.000	0.914	\$314
7																							
8																							
9																							
10	BluePreferred Gold \$500	13,093	13,093	23%	\$473	0.944	1.000	1.000	0.944	\$446	0.782	1.000	1.002	1.000	1.331	1.043	\$465	78.7%	78.3%	0.914	1.000	0.914	\$425
11																							
12																							
13																							
14	BluePreferred Platinum \$0	18,897	18,897	34%	\$473	0.944	1.000	1.000	0.944	\$446	0.992	1.000	1.004	1.000	1.331	1.326	\$592	100.0%	88.2%	0.914	1.000	0.914	\$541
15																							
16																							
17																							
18																							
	TOTAL:	55,746	55,746	100%	\$473	0.944	1.000	1.000	0.944	\$446	0.746	1.000	1.003	1.000	1.331	0.996	\$445	75.1%	75.9%	0.914	1.000	0.914	\$406
	Average:	4,646	4,646													75.1%							

Cost-Share Factor = Internal/Carrier-Specific Pricing AV, H.S.A./Non-H.S.A., Benefit Generosity/Induced Demand.  
Catastrophic Factor = Adjusting rate downwards for inaccuracy of compressed CMS "3:1" curve versus internal ratio of "4.5:1."  
Network = HMO Open Access and PPO/RPN.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Calculation of Other Projection Factors**

Ind<65	Projection Factor									
Service Category	Pediatric Dental	Demographics	Pharmacy Benefit Manager Change	Autism Benefit	Mandatory Generics	Sovaldi	Incentive Program	Vision	Early Renewals	Total Other Projection Factor
Inpatient	1.000	1.003	1.000	1.000	1.000	1.000	0.978	1.000	1.000	0.981
Outpatient	1.000	1.003	1.000	1.000	1.000	1.000	0.978	1.000	1.000	0.981
Professional	1.000	1.003	1.000	1.021	1.000	1.000	0.978	1.000	1.000	1.001
Other	1.181	1.003	1.000	1.000	1.000	1.000	0.978	1.000	1.000	1.158
Rx	1.000	1.003	0.924	1.000	1.004	1.042	0.978	1.000	1.000	0.948
Capitation	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.984	1.000	0.984

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Small Group On & Off Exchange Products Rates Effective 1/1/2015**  
**Calculation of Other Projection Factors**

Small Group	Projection Factor										
Service Category	Pediatric		Pharmacy Benefit		Autism	Mandatory		Incentive		Early	Total Other
	Dental	Demographics	Manager Change	Benefit	Generics	Sovaldi	Program	Vision	Renewals	Projection Factor	
Inpatient	1.000	1.003	1.000	1.000	1.000	1.000	0.970	1.000	1.017	0.990	
Outpatient	1.000	1.003	1.000	1.000	1.000	1.000	0.970	1.000	1.017	0.990	
Professional	1.000	1.003	1.000	1.036	1.000	1.000	0.970	1.000	1.017	1.025	
Other	1.181	1.003	1.000	1.000	1.000	1.000	0.970	1.000	1.017	1.169	
Rx	1.000	1.003	0.924	1.000	1.004	1.042	0.970	1.000	1.017	0.957	
Capitation	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.984	1.000	0.984	

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Combined On & Off Exchange Products Rates Effective 1/1/2015**  
**Calculation of Other Projection Factors**

Combined	Projection Factor										
Service Category	Pediatric Dental	Demographics	Pharmacy Benefit Manager Change	Autism Benefit	Mandatory Generics	Sovaldi	Incentive Program	Vision	Early Renewals	Total Other Projection Factor	
Inpatient	1.000	1.003	1.000	1.000	1.000	1.000	0.970	1.000	1.017	0.989	
Outpatient	1.000	1.003	1.000	1.000	1.000	1.000	0.970	1.000	1.017	0.989	
Professional	1.000	1.003	1.000	1.035	1.000	1.000	0.970	1.000	1.017	1.024	
Other	1.181	1.003	1.000	1.000	1.000	1.000	0.970	1.000	1.017	1.168	
Rx	1.000	1.003	0.924	1.000	1.004	1.042	0.970	1.000	1.017	0.956	
Capitation	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.984	1.000	0.984	

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**

**Support for "Other" adjustment factors**

**Early Renewal Factor Derivation**

	Allowed Claims	Item	Calculation
	PMPM		
<b>Early Renewal (Small Group Only, BC &amp; GHMSI combined)</b>			
Experience Period Total Allowed PMPM of Early renewing cohort	\$ 397.23	(1)	
Experience Period Total Allowed PMPM of Non-Early renewing cohort	\$ 419.26	(2)	
Combined Experience Period Total Allowed PMPM	\$ 412.06	(3)	
<b>Early Renewal Adjustment Factor (Small Group Only)</b>	<b>1.7%</b>		(4) = (2) / (3) - 1
<b>Early Renewal Adjustment Factor (Blended Across Single Risk Pool)</b>	<b>1.7%</b>		

**Rx Discount Factor Derivation (Based on CFI Total Book of Business Data)**

Grand Total New Allowed	\$ 1,154,386,773	(1)	
Grand Total Old Allowed	\$ 1,249,560,894	(2)	
\$ Difference	\$ (95,174,121)	(3)	
<b>% Difference</b>	<b>-7.6%</b>		(4) = (3)/(2)

**Mandatory Generic Factor Derivation (Based on CFI Total Book of Business Data)**

Total \$ Impact Due to expansion of list of Mandatory Generic Drugs	\$ 4,594,160	(1)	
Total 2013 Drug Claims	\$ 1,249,560,894	(2)	
<b>% Increase in Paid Drug \$</b>	<b>0.4%</b>		(3) = (1)/(2)

**Sovaldi Factor Derivation**

% Impact to total experience period allowed PMPM	1.0%	(1)	
Experience Period Allowed Rx PMPM	\$ 98.92	(2)	
Total Experience Period Allowed PMPM	\$ 413.02	(3)	
\$ Amount of Sovaldi Drug	\$ 4.13	(4) = (1) * (3)	
<b>Sovaldi Impact to Rx Only</b>	<b>4.2%</b>		(5) = (4) / (2)

**Changes in treatment of ABA services - Impact (to Ind64- Professional only)**

<b>Ind64-</b>			
\$ Impact to Experience Period Allowed PMPM	\$ 1.74	(1)	
Experience Period Allowed PMPM for Professional Services	\$ 84.51	(2)	
<b>Changes in treatment of ABA services - Impact (to Ind64- Professional only)</b>	<b>2.1%</b>		(3) = (1)/(2)

**Small Group**

\$ Impact to Experience Period Allowed PMPM	\$ 5.15	(4)	
Experience Period Allowed PMPM for Professional Services	\$ 144.41	(5)	
<b>Changes in treatment of ABA services - Impact (to Small Group Professional only)</b>	<b>3.6%</b>		(6) = (4)/(5)

<b>Changes in treatment of ABA services - Impact to Professional only (Blended Across Single Risk Pool)</b>	<b>3.5%</b>
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**Demographic Factor Derivation**

<b>Demographic Impact (Blended Across Single Risk Pool)</b>	<b>0.3%</b>
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Note: Blended adjustments are an average of Ind64- and Small Group adjustments, weighted by claims.



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Derivation of Embedded Pediatric Dental Rate**  
**Projection Period: 1/1/2015 - 12/31/2015**

#	Formula	Description	%	PMPM
1		Base D.C. Dental Allowed PMPM For Members Age 19 and Under Classes 1 - 4		\$ 16.32
2		Adjustment to D.C. Benchmark Plan (D.C. FEDVIP)	-1.15%	
3	<b>(3) = (1)*(1+(2))</b>	Adjusted Allowed PMPM Classes 1 - 4		\$ 16.13
4		Base D.C. Dental Allowed PMPM For Members Age 19 and Under Class 5 (Ortho)		\$ 3.44
5		Adjustment to D.C. Benchmark Plan	-40%	
6	<b>(6) = (4)*(1+(5))</b>	Adjusted Allowed PMPM Class 5 (Ortho)		\$ 2.06
7		<b>Estimated Base Period Allowed PMPM Adjusted to D.C. Benchmark</b>		<b>\$ 18.19</b>
8		Completion Factor (Incurred 12, Paid 14)		<b>0.980</b>
9	<b>(9) = (7)/(8)</b>	<b>Ultimate Base Period Allowed PMPM Adjusted to D.C. Benchmark</b>		<b>\$ 18.56</b>
10		Assumed Annual Trend	<b>5.0%</b>	
11		Assumed Trend Factor for 24 months	1.103	
12	<b>(12) = (9)*(11)</b>	Projected Allowed Pediatric PMPM		\$ 20.46
13		Adjustment to Dental PPO Fee Schedule	0.879	
14	<b>(14) = (12)*(13)</b>	Projected Allowed Pediatric PMPM Based On PPO Fee Schedule		\$ 17.98
15		Adjustment for Planned 1/1/2014 Fee Schedule Increase	1.00	
16	<b>(16) = (14)*(15)</b>	Projected Allowed Pediatric PMPM Adjusted for Fee Schedule Changes		\$ 17.98
17		% of D.C. Small Group & Individual, Non-Medigap Market Age 19 and Under	<b>21.6%</b>	
18	<b>(18) = (16)*(17)</b>	Projected Allowed Pediatric Dental PMPM Spread Over Single Risk Pool		<b>\$ 3.89</b>
19		Base Period Other Medical PMPM		\$ 21.49
20		<b>Projection Factor Entered To Adjust Other Medical Category</b>		<b>1.181</b>
21		<b>Impact on Total Medical and Rx Base Period PMPM</b>		<b>1.009</b>

**Notes:**

- Row 1** Allowed PMPM for experience period of 01/2013 - 12/2013, pd through 03/2014 for Classes 1- 4
- Row 2** Adjustment factor to account for coverage differences between current plans and DC Benchmark plan for Classes 1 - 4
- Row 4** Allowed PMPM for experience period of 01/2013 - 12/2013, pd through 03/2014 for Class 5 (Ortho)
- Row 5** Adjustment factor to account for coverage differences between current plans and DC Benchmark plan for Class 5 (Ortho), as provided by CareFirst's Dental Network Director.
- Row 11** Projected through 12/31/2015 base on current understanding that all CD exchange member's rates will change on renewal.

	Begin	End	Mid-point	Months of Trend
Experience period	1/1/2013	12/31/2013	7/1/2013	
Rating Period	1/1/2015	12/31/2015	7/1/2015	24.0

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Vision Embedded in Medical Plan**  
**Projection Period: 1/1/2014 - 3/31/2015**

**Derivation of Embedded Pediatric Vision Rate**

Small Group Embedded PMPM (Davis Vision Capitation)	\$ 1.25
% of D.C. Small Group Market Age 19 and Under	22.6%
Pediatric Vision PMPM Spread Small Group Market	\$ 0.28
Individual, non-Medigap Embedded PMPM (Davis Vision Capitation)	\$ 1.77
% of D.C. Individual, non-Medigap Market Age 19 and Under	7.7%
Pediatric Vision PMPM Spread Over Individual Market	\$ 0.14
<b>Blended EHB Pediatric Vision PMPM Spread Over Entire Single Risk Pool</b>	<b>\$ 0.27</b>

**Derivation of Embedded Adult Vision Rate (Non-EHB, Individual Market Only)**

Individual, non-Medigap Embedded PMPM (Davis Vision Capitation)	\$ 1.16
% of D.C. Individual, non-Medigap Market Over Age 19	92.3%
Embedded Adult Vision PMPM Spread Over Individual Market	\$ 1.07
<b>Blended Non-EHB Adult Vision PMPM Spread Over Entire Single Risk Pool</b>	<b>\$ 0.11</b>

**Derivation of Projection Factor**

<b>Total Embedded Vision PMPM</b>	<b>\$ 0.38</b>
Experience Period Core Vision Capitation PMPM	\$ 0.40
<b>\$ Change from Experience to Projection Period PMPM</b>	<b>\$ (0.02)</b>
Total Experience Period Capitation PMPM	\$ 1.28
<b>Projection Factor to Adjust Capitation Category</b>	<b>0.984</b>

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**

Autism Cost Model

Average Cost:

Assume treatment cost per hour for intensive ABA therapy	\$46
Assume treatment cost per hour for other non-intensive therapy	\$97

Children 2-5:  
 Children 6-7:  
 Children 8-12:  
 Children 13-21:

ABA Therapy hrs/wk	Other Therapy hrs/wk	Hrs/Yr Therapy	Cost Per Year Therapy
40	0	2080	94,826
15	5	1040	60,894
0	10	520	50,668
0	8	416	40,534

Utilization:

Assume 1 in every 68 children age 1-21 have Autism or Asperger's. Assume 1 in 3 seek ABA treatment

0.49%

children age 2-5 as a % of total population	===>	1.8%
children age 6 as a % of total population	===>	0.4%
children age 7 as % total population		0.3%
children age 8 as % total population		0.5%
children age 9-12 as a % of total population	===>	1.7%
children age 13-21 as a % of total population	===>	2.7%

Cost PMPM:

	Ind64-	Small Group
children 2-5:	\$ 0.68	\$ 1.88
Children age 6	\$ 0.10	\$ 0.31
Children age 7	\$ 0.07	\$ 0.30
Children age 8	\$ 0.10	\$ 0.25
children 9-12:	\$ 0.34	\$ 0.92
children 13-21:	\$ 0.45	\$ 1.49
total	\$ 1.74	\$ 5.15

	Ind64-	Small Group	Blended
Adjustment	2.1%	3.6%	3.5%

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Documentation for Sovaldi Estimated Cost for 2015 Exchange Filings**

	US Population	320 Million
A	Number of chronic hepatitis C persons in US (source: CDC)	3.2 Million
	Cost per 90-day script of Sovaldi	\$84,000
	However, Sovaldi has to be taken with ribavirin and interferon. Cost of 90day supply of both	<u>\$10,000</u>
B	Total cost per 90-day regimen (Sovaldi + ribavirin + interferon)	\$94,000
C=A*B	Total maximum market potential for 90-day regimen (\$ Billion)	\$300 Billion
D	First quarter Sovaldi sales (Gilead Sciences 1Q14 earnings report)	\$2.27 Billion
E=D*4	Annualized 2014 Sovaldi sales assuming flat growth in Q2-Q4 {lower bound}	\$9 Billion
F=(94/84)*E	Annualized cost of regimen	\$10 Billion
	<u>Breakdown of US Population by payor mix (Million)</u>	
	Commercial	147
	Medicare	51
G	Medicaid	61
	Tricare/Other Insured	10
	Uninsured	<u>47</u>
	<b>US Total Population (2013)</b>	316
	<u>Number of Commercial Equivalent Membership Units (Million)</u>	
	Commercial	147
	Medicare	50
H=G*.75	Medicaid (pays 25% lower costs on brand name drugs than Medicare)	41
	Tricare	<u>10</u>
I	<b>Total Commercial Equivalent Membership Units</b>	248
J=F/I	Cost per commercial equivalent member per year	\$40
K	CFI Risk average allowed claim cost per year	\$4,062
L	Sovaldi regimen costs as % of allowed claims	1.0%
	(lower bound)	
	<u>Upper bound of Sovaldi regimen exposure</u>	
M	Estimated persons in Maryland infected with Hepatitis C (DHMH 2012 report)	100,000
N	CareFirst Maryland membership as % of state population	33%
B	Total cost per 90-day regimen (Sovaldi + ribavirin + interferon)	\$94,000
P	Upper bound of CareFirst Sovaldi exposure (\$ Million)	\$3,102
Q	Estimated CareFirst allowed claims in Maryland (\$ Million)	\$7,700
R	Sovaldi regimen costs as % of allowed claims	40%
	upper bound	

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**D.C. Small Group Products - On Exchange Rate Filing Effective 1/1/2015**  
**Estimate of Non-EHB Claims - Individual, non-Medigap & Small Group Markets Combined**

**Abortion Coverage (Applies to Individual, Non-Medigap & Small Group Markets)**

Total - Abortion Related	Allowed Amount	2013 Member Months	Exp Period PMPM
GHMSI	\$520,156	599,428	\$0.87

**Projected PMPM**

1Q15	\$1.02
2Q15	\$1.04
3Q15	\$1.06
4Q15	\$1.08

**Embedded Adult Vision Coverage (Applies to Individual, Non-Medigap Market Only)**

Refer to page 18 for details.

Projected PMPM Spread Over Individual Market	Blended with Small Group
\$1.07	\$0.11

**Projected PMPM**

1Q15	\$0.11
2Q15	\$0.11
3Q15	\$0.11
4Q15	\$0.11

**Projection Period Non-EHB**

1Q15	\$1.13
2Q15	\$1.15
3Q15	\$1.17
4Q15	\$1.19

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Estimate of non-EHB in Experience and Projection Periods**

**Abortion:**

<b>Total - Abortion Related</b>	<b>Allowed Amount</b>	<b>2013 Member Months</b>	<b>Exp Period PMPM</b>	<b>Projected Allowed</b>	<b>Projected 2015 Member Months (On-Exchange)</b>	<b>Projected PMPM</b>
GHMSI	\$64,028	47,691	<b>\$1.34</b>	\$80,016	55,746	\$1.44
BlueChoice	\$21,383	42,960	<b>\$0.50</b>	\$100,497	190,814	\$0.53
<b>SUM:</b>	<b>\$85,411</b>	<b>90,651</b>	<b>\$0.94</b>	<b>\$180,513</b>	<b>246,560</b>	<b>\$0.73</b>
Rounded up to federal minimum						<b>\$1.00</b>

**Core Vision**

Davis Vision capitation has been raised because \$10 copay has been dropped from exam

	<b>% Membership</b>	<b>Experience Period Capitation</b>	<b>Future Capitation PMPM</b>
		\$0.40	\$1.28
% pediatric members	21%	\$0.08 EHB portion of capitation	\$0.27
% non-pediatric	79%	<b>\$0.32</b> non-EHB portion of capitation	<b>\$1.07</b>

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**GHMSI Plan Level Rate Derivation - On Exchange**

Plan Name	BluePreferred HSA Bronze \$3,500	BlueCross BlueShield Preferred 1500, A Multi-State Plan	BlueCross BlueShield Preferred 500, A Multi-State Plan	BluePreferred Platinum \$0	Overall
HIOS Product ID	<b>78079DC020</b>	<b>78079DC018</b>	<b>78079DC016</b>	<b>78079DC021</b>	
HIOS Plan ID	78079DC0200001	78079DC0180001	78079DC0160001	78079DC0210001	
<i>Metal Level</i>	Bronze	Silver	Gold	Platinum	
Metallic AV	61.2%	68.4%	78.3%	88.2%	
Index Rate (Average Allowed EHB)	\$ 472.69	\$ 472.69	\$ 472.69	\$ 472.69	\$ <b>472.69</b>
Market Level Adjustments:					
Reinsurance	0.944	0.944	0.944	0.944	
Risk Adjustment	1.000	1.000	1.000	1.000	
Exchange User Fees	1.000	1.000	1.000	1.000	
<b>Index Rate - Post Market Level Adj.</b>	<b>\$446.15</b>	<b>\$446.15</b>	<b>\$446.15</b>	<b>\$446.15</b>	\$ <b>446.15</b>
Cost-Share Factor	0.481	0.576	0.782	0.992	<b>0.746</b>
Network & UM	1.000	1.000	1.000	1.000	<b>1.000</b>
Non-EHB	1.004	1.002	1.002	1.004	<b>1.003</b>
Catastrophic Adj	1.000	1.000	1.000	1.000	<b>1.000</b>
Distribution & Admin Cost	1.331	1.331	1.331	1.331	<b>1.331</b>
<b>Index Rate - Plan Level</b>	<b>\$287.23</b>	<b>\$343.15</b>	<b>\$465.45</b>	<b>\$591.72</b>	<b>\$444.54</b>
Pricing AV	64.4%	76.9%	104.3%	132.6%	
Age Calibration	0.914	0.914	0.914	0.914	
Geo Calibration	1.000	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	1.000	
<b>Base Premium</b>	<b>\$262.55</b>	<b>\$313.67</b>	<b>\$425.46</b>	<b>\$540.88</b>	<b>\$406.34</b>
<b>Projected Member Months</b>	11,563	12,193	13,093	18,897	<b>55,746</b>
<b>2014 Index Rate - Plan Level</b>	\$ 263.60	\$ 334.13	\$ 416.37	\$ 520.10	\$ 401.86
<b>% Change</b>	<b>9.0%</b>	<b>2.7%</b>	<b>11.8%</b>	<b>13.8%</b>	<b>10.6%</b>
<b>2014 Base Premium</b>	\$ 237.79	\$ 301.42	\$ 375.61	\$ 469.18	\$ 362.51
<b>% Change</b>	<b>10.4%</b>	<b>4.1%</b>	<b>13.3%</b>	<b>15.3%</b>	<b>12.1%</b>

**Non-EHB**

Core Vision (Adult)	\$1.07
Abortion	\$1.00
Morbid Obesity	\$ -

0.207

0.219

0.235

0.339

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**2015 Enrollment Projections by Product (BlueChoice & GHMSI)**

Total Members	GF Members	PPACA Members
27,000	4,000	23,000
On Exchange	100%	23,000

\*Stonegate study used to project % purchasing by metal level

% by FPL Estimate		
<150%	0.0%	33% total will be eligible for cost-share subsidy
151%-200%	0.0%	Assume 13% will opt to use their premium subsidy on bronze to get a \$0 premium product
201%-250%	3.0%	Assume other 20% will buy silver, so overall 40% silver will be 50/50 subsidized unsubsidized.
251%-400%	10.0%	
>400%	87.0%	

	<u>Metal Level</u>	<u>% purchased</u>	<u>Members Purchased</u>	Distribution of Non-GF Membership												
				January 60%	February 10%	March 10%	April 10%	May 3.0%	June 1.0%	July 1.0%	August 1.0%	September 1.0%	October 1.0%	November 1.0%	December 1.0%	
BlueChoice Young Adult \$6600		1,158	1,158	8,340	1,274	1,158	1,043	278	81	70	58	46	35	23	12	12,418
<b>Bronze Plans</b>		<b>6,455</b>														
BluePreferred HSA Bronze \$3,500	17%	1,079	7766	1187	1079	971	259	76	65	54	43	32	22	11	11,563	
BlueChoice HSA Bronze \$4,000	39%	2,497	17980	2747	2497	2248	599	175	150	125	100	75	50	25	26,771	
BlueChoice Plus Bronze \$5,500	12%	755	5439	831	755	680	181	53	45	38	30	23	15	8	8,099	
BlueChoice HSA Bronze \$6,000	33%	2,124	15291	2336	2124	1911	510	149	127	106	85	64	42	21	22,766	
<b>Silver Plans</b>		<b>5,234</b>														
BlueChoice HSA Silver \$1,300	41%	2,164	15584	2381	2164	1948	519	152	130	108	87	65	43	22	23,202	
CSR 200-250%	6%	329	2366	362	329	296	79	23	20	16	13	10	7	3	3,523	
CSR 150-200%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CSR 100-150%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
BluePreferred HSA Silver \$1,500	19%	987	7110	1086	987	889	237	69	59	49	39	30	20	10	10,586	
CSR 200-250%	3%	150	1080	165	150	135	36	10	9	7	6	4	3	1	1,607	
CSR 150-200%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CSR 100-150%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
BlueChoice Silver \$2,000	18%	918	6611	1010	918	826	220	64	55	46	37	28	18	9	9,843	
CSR 200-250%	3%	139	1004	153	139	125	33	10	8	7	6	4	3	1	1,495	
CSR 150-200%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CSR 100-150%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
BlueChoice Plus Silver \$2,500	9%	474	3411	521	474	426	114	33	28	24	19	14	9	5	5,078	
CSR 200-250%	1%	72	518	79	72	65	17	5	4	4	3	2	1	1	771	
CSR 150-200%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CSR 100-150%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Gold Plans</b>		<b>4,764</b>														
BlueChoice Gold \$0	19%	919	6618	1011	919	827	221	64	55	46	37	28	18	9	9,853	
BluePreferred Gold \$500	26%	1,221	8794	1343	1221	1099	293	85	73	61	49	37	24	12	13,093	
BlueChoice Gold \$1,000	34%	1,603	11544	1764	1603	1443	385	112	96	80	64	48	32	16	17,187	
HealthyBlue Gold \$1,500	21%	1,020	7343	1122	1020	918	245	71	61	51	41	31	20	10	10,933	
<b>Platinum Plans</b>		<b>5,389</b>														
HealthyBlue Platinum \$0	67%	3,626	26109	3989	3626	3264	870	254	218	181	145	109	73	36	38,874	
BluePreferred Platinum \$0	33%	1,763	12692	1939	1763	1586	423	123	106	88	71	53	35	18	18,897	
BluePreferred Subtotal	22.6%	5,200	37,441	5,720	5,200	4,680	1,248	364	312	260	208	156	104	52	55,746	Member Months
BlueChoice Subtotal	77.4%	17,800	128,159	19,580	17,800	16,020	4,272	1,246	1,068	890	712	534	356	178	190,814	Member Months
Grand Total		23,000	165,600	25,300	23,000	20,700	5,520	1,610	1,380	1,150	920	690	460	230	246,560	Member Months



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Pricing AV**

Projected EMMS (PPO)	Projected EMMs (PPO)	Metal	AV w/ Federal model	AV from internal Model	AV from internal Model	Benefit Generosity	Benefit Generosity	HSA vs Non- HSA	HSA vs Non- HSA
			(Different allowed per metal)	(Fixed allowed per metal)	All Silver at Base	(Adj. allowed per fed Model)	Scaled	(Adj for HSA behavior)	Scaled
11,563	11,563	Bronze	61.2%	53.3%	53.3%	0.92	0.92	0.94	0.94
10,586	10,586	Silver Base	68.4%	61.5%	61.5%	0.95	0.95	0.94	0.94
1,607	1,607	<b>Silver 200</b>	73.7%	67.8%	61.5%	0.96	0.97	1.04	1.04
0	-	<b>Silver 150</b>	87.6%	83.0%	61.5%	1.05	1.05	1.04	1.04
0	-	<b>Silver 100</b>	93.2%	91.9%	61.5%	1.11	1.11	1.04	1.04
13,093	13,093	Gold	78.3%	74.1%	74.1%	1.00	1.00	1.04	1.04
18,897	18,897	Platinum	88.2%	89.2%	89.2%	1.07	1.08	1.04	1.04
<b>55,746</b>	<b>55,746</b>		76.1%	72.3%	72.2%	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>Silver Average</b>				<b>62.3%</b>			0.95		0.96
Fed Ave subsidy on Silver				0.8%					

Internal AV model was developed using 2012 small group claims data. This was done because the projected increase in morbidity means the claims distribution is more similar to the projected guaranteed issue pool (in terms of ultimate risk profile) than our current Individual Underwritten distribution. Using the higher small group claims continuance table more accurately estimated future Avs.

Have not updated internal AV model since 2014 filing, consistent with federal AV calculator remaining the same to promote benefit stability.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Utilization Impact**

	<u>GHMSI HSA</u>			<u>GHMSI HRA</u>			Utilization Difference (HSA/HRA -1)
	Cases/1000	Claims PMPM	Claims PMPM as % of Total	Cases/1000	Claims PMPM	Claims PMPM as % of Total	
Emergency Room - Facility & Professional	349	\$11.55	2.8%	366	\$10.99	2.2%	-4.6%
Skilled Nursing Facility - I/P - Facility & Professional	6	\$0.42	0.1%	9	\$1.02	0.2%	-33.3%
Inpatient Facility	59	\$64.52	15.6%	59	\$74.34	14.8%	0.0%
Inpatient Professional	386	\$12.82	3.1%	405	\$16.42	3.3%	-4.7%
Ambulatory Surgical Center - Facility & Professional	259	\$13.58	3.3%	276	\$14.13	2.8%	-6.2%
Outpatient Facility	678	\$63.75	15.4%	702	\$85.12	16.9%	-3.4%
Outpatient Professional	10,353	\$132.23	31.9%	11,067	\$138.64	27.6%	-6.5%
RX	10,394	\$115.81	27.9%	11,828	\$162.41	32.3%	-12.1%
<b>Total</b>	<b>22,484</b>	<b>\$414.68</b>	<b>100.0%</b>	<b>24,712</b>	<b>\$503.07</b>	<b>100.0%</b>	<b>-9.0%</b>

To estimate the impact a presense of an HSA account has on utilization, we used small group data (future projected state of Individual market in terms of ultimate risk profile) because it has very large credible blocks of both HSAs and HRAs, which have similar benefits but differ in whether the member can contribute their own money to the account. The above shows that owning the HSA bank account leads to lower overall utilization.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Age Factor Calibration**

PRODT_JURDCN_CD	D	District of Columbia
PRCG_ORGN_CD	B	GHMSI

Member Age	Member Count	Total*Age Factor	Age Rate
0-20	192	125.57	\$ 281.64
21	8	5.82	\$ 313.07
22	3	2	\$ 313.07
23	12	9	\$ 313.07
24	13	9	\$ 313.07
25	46	33	\$ 313.07
26	63	46	\$ 313.07
27	53	39	\$ 313.07
28	54	40	\$ 320.40
29	45	34	\$ 327.29
30	52	41	\$ 335.47
31	51	41	\$ 344.08
32	42	34	\$ 351.83
33	52	43	\$ 360.01
34	41	35	\$ 368.63
35	51	45	\$ 377.24
36	31	28	\$ 385.85
37	34	31	\$ 394.47
38	36	33	\$ 399.20
39	35	33	\$ 403.94
40	26	25	\$ 419.87
41	26	26	\$ 436.24
42	30	32	\$ 453.46
43	26	28	\$ 471.12
44	32	36	\$ 489.64
45	22	26	\$ 508.59
46	36	44	\$ 528.39
47	26	33	\$ 549.07
48	15	20	\$ 570.60
49	29	40	\$ 592.99
50	24	34	\$ 616.25
51	26	39	\$ 640.36
52	23	36	\$ 665.34
53	21	34	\$ 691.18
54	27	45	\$ 718.31
55	16	28	\$ 746.30
56	23	41	\$ 775.58
57	26	49	\$ 805.73
58	23	45	\$ 837.16
59	23	46	\$ 869.89
60	23	48	\$ 903.91
61	34	74	\$ 939.22
62	25	55	\$ 939.22
63	26	57	\$ 939.22
64+	20	44	\$ 939.22
<b>Grand Total</b>	<b>1,542</b>	<b>1,693</b>	

Avg Age Factor: 1.098  
Weighted Avg Age: 43  
Closest Fed Factor for Weighted Ave Age: 1.094  
Calibration Factor: = 1/1.094 = 0.914

**\$ 472.69**

# Appendix

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**

**Rating Methodology**

Rates in 2015 will be developed using a member-level build-up.

For each member in a family, that member's age and geographic factors will be multiplied together to get the composite member factor.

Once each member's composite factor is computed, they are added together to get the total factor for the policy. Each family member is included in the calculation, except for families that have four or more children 20 years of younger. For these families, only the three oldest children under 21 years of age are included. All children 21 years or older are included for all families.

Note that the factors are not rounded when they are multiplied. The multiplication of a 3-digit age factor and a 3-digit geo factor result in a composite factor with 9 digits after the decimal.

After the policy's total factor is computed by summing the family members, this total factor is multiplied by the base rate. The final result is then rounded to the nearest dollar.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Reserve Calculation Methodology**

We use an IBNR model which is based on the most recent 36 lag months. The great majority of our IBNR is held in the first few lag months (lags 0 through 2), and the completion factors for lags 0-2 are more variable than for other lags. We use a variety of metrics for setting our Incurred Claim estimate for lags 0-2. The metrics we consider include, but are not limited to, incurred claims trend, straight paid claims, inventory levels, loss ratios, and seasonal effects.

For lags 3-35, we use an IBNR method called "Chain and Ladder" in calculating the IBNR. For lags 36-41, we retain history to have available additional trend factors to be used in the analysis of the reserves. We assume the claims in lags 36-41 are 100% complete. The chain-and-ladder develops a set of completion factors based on the completion ratio experience for each product.

The Chain and Ladder model uses the most recent 6 completion ratios for a given lag duration (0 to 34) and applies a smoothing method to estimate these completion ratios. Assuming a completion factor of 1.0 for lags 35 and greater, the completion factor for lag 34 is calculated by taking the product of the estimated completion ratio and completion factor for lag 35. Completion factors for lags 33 to 0 are calculated using this method. We divide the "paid to date" dollars by these completion factors for the given lag month which in turn is used to develop an estimated total incurred amount and corresponding IBNR.

All these factors are considered together to choose an incurred dollar estimate that is consistent with the completion factors, trends, and loss ratios that we have experienced historically for the product line for which we are setting the reserve.

The claims in this experience period of data run from January 2010 and are paid through March 2014. The claims are also incurred through the same time period. All of the months are completed using the methodology described above. Please see the paid, completion factors and corresponding reserve on the next pages. But, for purposes of pricing we only consider an experience period of January 2013 with paid through March 2014 and incurred through December 2013, or an Incurred 12, Paid 15 experience period. Thus we do not include the most recent 2 months in our rating estimates since these months have a higher probability of recasting.

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products Rates Effective 1/1/2015  
2015 DC Age Rating Factors

% Δ

Age Band	Age Factor	Age Factor
0-20	0.654	
21	0.727	11.2%
22	0.727	0.0%
23	0.727	0.0%
24	0.727	0.0%
25	0.727	0.0%
26	0.727	0.0%
27	0.727	0.0%
28	0.744	2.3%
29	0.760	2.2%
30	0.779	2.5%
31	0.799	2.6%
32	0.817	2.3%
33	0.836	2.3%
34	0.856	2.4%
35	0.876	2.3%
36	0.896	2.3%
37	0.916	2.2%
38	0.927	1.2%
39	0.938	1.2%
40	0.975	3.9%
41	1.013	3.9%
42	1.053	3.9%
43	1.094	3.9%
44	1.137	3.9%
45	1.181	3.9%
46	1.227	3.9%
47	1.275	3.9%
48	1.325	3.9%
49	1.377	3.9%
50	1.431	3.9%
51	1.487	3.9%
52	1.545	3.9%
53	1.605	3.9%
54	1.668	3.9%
55	1.733	3.9%
56	1.801	3.9%
57	1.871	3.9%
58	1.944	3.9%
59	2.020	3.9%
60	2.099	3.9%
61	2.181	3.9%
62	2.181	0.0%
63	2.181	0.0%
64+	2.181	0.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products Rates Effective 1/1/2015  
**D.C. GHMSI Small Group & Individual Base Experience Medical Inpatient**  
Experience Period: Incurred 201301 - 201312, Paid through 201403

Month	Contracts	Members	Allowed	Admits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Admits	Allowed	Admits/1 000	Unit Cost	Allowed	Admits/1000	Unit Cost
201104	24,573	44,425	3,177,993	230	1.00	3,177,993	230						
201105	24,638	44,458	2,886,577	228	1.00	2,886,577	228						
201106	24,853	44,833	2,947,777	231	1.00	2,947,777	231						
201107	25,227	45,408	3,007,547	222	1.00	3,007,547	222						
201108	25,548	46,029	3,554,226	246	1.00	3,554,226	246						
201109	25,817	46,386	3,499,075	225	1.00	3,499,075	225						
201110	25,789	46,303	2,688,617	226	1.00	2,688,617	226						
201111	25,887	46,489	3,067,304	226	1.00	3,067,304	226						
201112	26,071	46,963	2,778,732	223	1.00	2,778,732	223						
201201	25,978	46,832	3,054,316	216	1.00	3,054,316	216						
201202	26,250	47,247	2,497,675	205	1.00	2,497,736	205						
201203	26,258	47,356	4,251,848	261	1.00	4,251,872	261	67.69	59.47	\$13,658.88			
201204	26,447	47,649	2,763,043	211	1.00	2,763,307	211	66.55	58.71	\$13,601.74			
201205	26,395	47,635	3,322,394	237	1.00	3,322,875	237	66.95	58.57	\$13,716.59			
201206	26,655	48,196	2,800,296	204	1.00	2,800,762	204	66.29	57.65	\$13,799.09			
201207	26,601	48,222	3,792,184	253	1.00	3,792,899	253	67.35	58.02	\$13,929.68			
201208	26,688	48,462	3,336,609	221	1.00	3,337,418	221	66.68	57.24	\$13,977.94			
201209	26,679	48,449	3,071,903	229	1.00	3,073,016	229	65.69	57.12	\$13,799.80			
201210	26,712	48,511	3,244,463	246	1.00	3,246,404	246	66.41	57.32	\$13,902.18			
201211	26,544	48,222	3,102,058	227	1.00	3,104,284	227	66.27	57.17	\$13,909.78			
201212	26,341	47,990	2,530,845	218	1.00	2,532,687	218	65.73	56.97	\$13,844.32			
201301	25,958	47,246	3,486,818	235	1.00	3,490,479	235	66.44	57.33	\$13,906.06			
201302	25,846	46,937	2,790,054	192	1.00	2,793,829	192	66.99	57.10	\$14,079.08			
201303	25,726	46,590	3,171,904	226	1.00	3,177,277	226	65.21	56.45	\$13,861.65	-3.7%	-5.1%	1.5%
201304	25,708	46,561	3,206,054	211	1.00	3,215,070	212	66.12	56.57	\$14,025.92	-0.6%	-3.6%	3.1%
201305	25,578	46,236	2,825,722	230	1.00	2,838,520	231	65.43	56.58	\$13,877.36	-2.3%	-3.4%	1.2%
201306	25,449	46,015	3,200,241	227	0.99	3,217,537	228	66.41	57.31	\$13,907.08	0.2%	-0.6%	0.8%
201307	25,264	45,677	2,881,832	214	0.99	2,901,965	215	65.14	56.77	\$13,769.59	-3.3%	-2.2%	-1.1%
201308	25,258	45,651	2,929,277	215	0.99	2,959,587	217	64.80	56.97	\$13,648.15	-2.8%	-0.5%	-2.4%
201309	25,037	45,204	4,687,106	197	0.99	4,751,999	200	68.16	56.67	\$14,433.27	3.8%	-0.8%	4.6%
201310	24,958	45,012	3,031,948	194	0.98	3,090,802	198	68.31	55.99	\$14,642.04	2.9%	-2.3%	5.3%
201311	24,764	44,698	3,243,489	222	0.97	3,341,487	229	69.18	56.38	\$14,724.52	4.4%	-1.4%	5.9%
201312	24,369	44,056	2,957,987	192	0.95	3,121,068	203	70.74	56.44	\$15,040.71	7.6%	-0.9%	8.6%
201401	23,445	42,419	3,518,493	202	0.89	3,940,415	226	72.19	56.74	\$15,267.63	8.7%	-1.0%	9.8%
201402	22,629	41,087	2,173,870	160	0.83	2,621,833	193	72.66	57.37	\$15,196.68	8.5%	0.5%	7.9%
201403	21,669	39,429	903,517	65	0.39	2,304,152	166	71.99	56.78	\$15,215.95	10.4%	0.6%	9.8%
Experience Period	303,915	549,883	38,412,432	2,555	0.99	38,899,620	2,586						
201303	25,726	46,590									-3.7%	-5.1%	1.5%
201309	25,037	45,204									3.8%	-0.8%	4.6%
201312	24,369	44,056									7.6%	-0.9%	8.6%
Avg last 6 months	24,942	45,050									2.1%	-1.3%	3.5%
Selected Pricing Trend												0.0%	5.0%



Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products Rates Effective 1/1/2015  
**D.C. GHMSI Small Group & Individual Base Experience Medical Outpatient**  
Experience Period: Incurred 201301 - 201312, Paid through 201403

						Completed		Rolling 12 PMPM			Rolling 12 Trend		
Month	Contracts	Members	Allowed	Visits	Completion Factor	Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost
201104	24,573	44,425	3,178,754	2,966	1.00	3,178,754	2,966						
201105	24,638	44,458	3,484,371	3,268	1.00	3,484,371	3,268						
201106	24,853	44,833	3,158,283	3,237	1.00	3,158,283	3,237						
201107	25,227	45,408	2,975,003	2,927	1.00	2,975,003	2,927						
201108	25,548	46,029	3,491,421	3,174	1.00	3,491,421	3,174						
201109	25,817	46,386	3,182,838	3,129	1.00	3,182,838	3,129						
201110	25,789	46,303	3,451,108	3,156	1.00	3,451,108	3,156						
201111	25,887	46,489	3,405,520	3,109	1.00	3,405,520	3,109						
201112	26,071	46,963	3,455,972	3,280	1.00	3,455,972	3,280						
201201	25,978	46,832	3,711,937	3,439	1.00	3,711,937	3,439	73.56	833.94	\$1,058.50			
201202	26,250	47,247	3,473,605	3,301	1.00	3,473,655	3,301						
201203	26,258	47,356	3,690,368	3,426	1.00	3,690,424	3,426						
201204	26,447	47,649	3,613,694	3,346	1.00	3,614,039	3,346						
201205	26,395	47,635	3,712,681	3,442	1.00	3,713,176	3,442						
201206	26,655	48,196	3,503,859	3,313	1.00	3,504,405	3,314						
201207	26,601	48,222	3,893,326	3,356	1.00	3,894,050	3,357						
201208	26,688	48,462	3,862,562	3,408	1.00	3,863,546	3,409						
201209	26,679	48,449	3,691,959	3,156	1.00	3,693,381	3,157						
201210	26,712	48,511	3,724,981	3,369	1.00	3,727,215	3,371						
201211	26,544	48,222	3,429,819	3,177	1.00	3,432,242	3,179						
201212	26,341	47,990	3,663,958	3,158	1.00	3,666,571	3,160						
201301	25,958	47,246	4,034,443	3,458	1.00	4,038,740	3,462	77.04	832.94	\$1,109.89	5.9%	-0.5%	6.3%
201302	25,846	46,937	3,734,394	3,163	1.00	3,739,445	3,167	77.54	830.59	\$1,120.30			
201303	25,726	46,590	3,815,648	3,347	1.00	3,822,259	3,353	77.88	830.17	\$1,125.68			
201304	25,708	46,561	4,068,821	3,288	1.00	4,080,317	3,297	78.84	830.72	\$1,138.83			
201305	25,578	46,236	3,900,740	3,298	1.00	3,918,528	3,313	79.39	830.04	\$1,147.74			
201306	25,449	46,015	3,662,185	3,100	0.99	3,682,141	3,117	80.01	829.08	\$1,158.00			
201307	25,264	45,677	4,076,258	3,237	0.99	4,104,837	3,260	80.74	830.75	\$1,166.23			
201308	25,258	45,651	3,824,587	3,219	0.99	3,864,403	3,252	81.14	831.56	\$1,170.91			
201309	25,037	45,204	3,548,379	2,992	0.99	3,597,564	3,034	81.44	833.73	\$1,172.17			
201310	24,958	45,012	4,051,339	3,334	0.98	4,129,689	3,399	82.67	839.56	\$1,181.66			
201311	24,764	44,698	3,500,573	2,933	0.97	3,606,413	3,022	83.51	841.49	\$1,190.94			
201312	24,369	44,056	3,659,506	3,111	0.95	3,861,273	3,283	84.46	850.18	\$1,192.19			
201401	23,445	42,419	3,331,282	3,012	0.89	3,732,726	3,375	84.65	855.79	\$1,186.98	9.9%	2.7%	6.9%
201402	22,629	41,087	3,048,401	2,576	0.83	3,680,455	3,111	85.46	863.83	\$1,187.17	10.2%	4.0%	6.0%
201403	21,669	39,429	1,145,210	1,190	0.39	2,922,646	3,036	84.92	868.31	\$1,173.59	9.0%	4.6%	4.3%
Experience Period	303,915	549,883	45,876,873	38,480	0.99	46,445,610	38,958						
201303	25,726	46,590									5.9%	-0.5%	6.3%
201309	25,037	45,204									6.7%	-0.4%	7.1%
201312	24,369	44,056									10.4%	2.1%	8.2%
Avg last 6 months	24,942	45,050									8.2%	0.1%	8.1%
Selected Pricing Trend												2.0%	8.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products Rates Effective 1/1/2015  
**D.C. GHMSI Small Group & Individual Base Experience Medical Professional**  
Experience Period: Incurred 201301 - 201312, Paid through 201403

Month	Contracts	Members	Allowed	Visits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost
201104	24,573	44,425	5,516,172	37,166	1.00	5,516,172	37,166						
201105	24,638	44,458	5,893,690	39,092	1.00	5,893,690	39,092						
201106	24,853	44,833	5,842,663	39,487	1.00	5,842,663	39,487						
201107	25,227	45,408	5,257,241	35,661	1.00	5,257,241	35,661						
201108	25,548	46,029	6,110,762	39,998	1.00	6,110,762	39,998						
201109	25,817	46,386	5,846,660	39,335	1.00	5,846,660	39,335						
201110	25,789	46,303	6,040,574	41,405	1.00	6,040,574	41,405						
201111	25,887	46,489	5,950,962	40,140	1.00	5,950,962	40,140						
201112	26,071	46,963	5,728,530	39,361	1.00	5,728,530	39,361						
201201	25,978	46,832	6,800,535	43,295	1.00	6,800,535	43,295						
201202	26,250	47,247	6,200,219	40,982	1.00	6,200,327	40,983						
201203	26,258	47,356	6,620,148	43,407	1.00	6,620,258	43,408	129.92	10,406.49	\$149.81			
201204	26,447	47,649	6,158,281	40,135	1.00	6,158,871	40,139	130.32	10,410.31	\$150.22			
201205	26,395	47,635	6,812,828	43,975	1.00	6,813,730	43,981	131.22	10,456.08	\$150.60			
201206	26,655	48,196	6,363,945	40,668	1.00	6,364,938	40,674	131.37	10,418.89	\$151.30			
201207	26,601	48,222	6,400,426	40,031	1.00	6,401,624	40,039	132.74	10,459.95	\$152.28			
201208	26,688	48,462	6,483,075	42,957	1.00	6,484,683	42,968	132.83	10,477.90	\$152.12			
201209	26,679	48,449	6,156,702	39,084	1.00	6,159,024	39,099	132.90	10,434.99	\$152.83			
201210	26,712	48,511	6,620,935	43,376	1.00	6,624,897	43,402	133.40	10,436.60	\$153.39			
201211	26,544	48,222	6,113,948	40,982	1.00	6,118,309	41,011	133.29	10,423.30	\$153.46			
201212	26,341	47,990	5,639,077	37,704	1.00	5,643,147	37,731	132.91	10,370.65	\$153.79			
201301	25,958	47,246	7,056,306	44,540	1.00	7,063,883	44,588	133.27	10,390.15	\$153.92			
201302	25,846	46,937	6,113,321	39,257	1.00	6,121,613	39,310	133.20	10,360.85	\$154.28			
201303	25,726	46,590	6,230,152	39,447	1.00	6,240,854	39,515	132.72	10,293.30	\$154.73	2.2%	-1.1%	3.3%
201304	25,708	46,561	6,778,301	42,894	1.00	6,797,571	43,016	134.09	10,373.10	\$155.12	2.9%	-0.4%	3.3%
201305	25,578	46,236	6,577,478	41,911	1.00	6,607,650	42,103	134.05	10,359.07	\$155.29	2.2%	-0.9%	3.1%
201306	25,449	46,015	6,004,170	38,066	0.99	6,037,063	38,275	133.99	10,348.18	\$155.38	2.0%	-0.7%	2.7%
201307	25,264	45,677	6,329,203	40,001	0.99	6,373,656	40,282	134.54	10,399.79	\$155.25	1.4%	-0.6%	1.9%
201308	25,258	45,651	6,252,769	39,181	0.99	6,317,836	39,589	134.92	10,379.74	\$155.98	1.6%	-0.9%	2.5%
201309	25,037	45,204	6,186,876	38,203	0.99	6,273,127	38,735	135.90	10,432.02	\$156.33	2.3%	0.0%	2.3%
201310	24,958	45,012	6,888,422	44,165	0.98	7,022,069	45,022	137.47	10,532.39	\$156.62	3.0%	0.9%	2.1%
201311	24,764	44,698	5,869,428	37,848	0.97	6,046,998	38,993	138.21	10,555.69	\$157.13	3.7%	1.3%	2.4%
201312	24,369	44,056	5,666,439	35,439	0.95	5,978,788	37,393	139.81	10,623.82	\$157.92	5.2%	2.4%	2.7%
201401	23,445	42,419	5,878,945	36,658	0.89	6,586,214	41,070	140.18	10,640.45	\$158.09	5.2%	2.4%	2.7%
201402	22,629	41,087	4,793,815	30,018	0.83	5,786,817	36,243	141.08	10,687.62	\$158.40	5.9%	3.2%	2.7%
201403	21,669	39,429	2,757,799	17,867	0.39	7,032,984	45,553	144.46	10,967.66	\$158.06	8.8%	6.6%	2.2%
Experience Period	303,915	549,883	75,952,865	480,952	0.99	76,881,109	486,822						
201303	25,726	46,590									2.2%	-1.1%	3.3%
201309	25,037	45,204									2.3%	0.0%	2.3%
201312	24,369	44,056									5.2%	2.4%	2.7%
Avg last 6 months	24,942	45,050									2.9%	0.5%	2.3%
Selected Pricing Trend												2.5%	2.5%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products Rates Effective 1/1/2015  
**D.C. GHMSI Small Group & Individual Base Experience Medical Other**  
Experience Period: Incurred 201301 - 201312, Paid through 201403

Month	Contracts	Members	Allowed	Services	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Services	Allowed	Services/1000	Unit Cost	Allowed	Services/1000	Unit Cost
201104	24,573	44,425	743,130	2,793	1.00	743,130	2,793						
201105	24,638	44,458	833,362	3,025	1.00	833,362	3,025						
201106	24,853	44,833	742,646	2,986	1.00	742,646	2,986						
201107	25,227	45,408	735,641	2,884	1.00	735,641	2,884						
201108	25,548	46,029	1,039,875	3,209	1.00	1,039,875	3,209						
201109	25,817	46,386	901,292	3,241	1.00	901,292	3,241						
201110	25,789	46,303	887,467	3,275	1.00	887,467	3,275						
201111	25,887	46,489	910,906	3,510	1.00	910,906	3,510						
201112	26,071	46,963	1,011,740	3,542	1.00	1,011,740	3,542						
201201	25,978	46,832	834,819	3,631	1.00	834,819	3,631						
201202	26,250	47,247	831,307	3,157	1.00	831,327	3,157						
201203	26,258	47,356	1,000,161	3,707	1.00	1,000,179	3,707	18.95	845.84	\$268.80			
201204	26,447	47,649	848,042	3,338	1.00	848,127	3,338	19.03	852.70	\$267.75			
201205	26,395	47,635	805,633	3,456	1.00	805,736	3,456	18.87	857.12	\$264.16			
201206	26,655	48,196	796,590	3,400	1.00	796,716	3,400	18.85	860.84	\$262.79			
201207	26,601	48,222	779,583	3,225	1.00	779,732	3,226	18.84	863.80	\$261.67			
201208	26,688	48,462	848,881	3,454	1.00	849,095	3,455	18.42	865.29	\$255.43			
201209	26,679	48,449	796,757	3,253	1.00	797,057	3,254	18.17	862.44	\$252.81			
201210	26,712	48,511	842,682	3,552	1.00	843,187	3,554	18.02	864.96	\$250.02			
201211	26,544	48,222	934,512	3,693	1.00	935,182	3,695	18.01	866.23	\$249.49			
201212	26,341	47,990	933,547	3,541	1.00	934,230	3,543	17.84	864.71	\$247.61			
201301	25,958	47,246	952,879	3,542	1.00	953,920	3,546	18.04	862.31	\$251.00			
201302	25,846	46,937	971,797	3,412	1.00	973,117	3,416	18.29	868.19	\$252.84			
201303	25,726	46,590	947,156	3,427	1.00	948,801	3,433	18.23	863.62	\$253.28	-3.8%	2.1%	-5.8%
201304	25,708	46,561	1,010,397	3,750	1.00	1,013,294	3,760	18.55	874.10	\$254.68	-2.5%	2.5%	-4.9%
201305	25,578	46,236	955,106	3,691	1.00	959,520	3,708	18.87	881.51	\$256.81	0.0%	2.8%	-2.8%
201306	25,449	46,015	831,282	3,233	0.99	835,831	3,250	19.01	881.72	\$258.67	0.8%	2.4%	-1.6%
201307	25,264	45,677	1,015,571	3,418	0.99	1,022,712	3,442	19.52	890.26	\$263.12	3.6%	3.1%	0.6%
201308	25,258	45,651	1,076,807	3,439	0.99	1,088,011	3,475	20.04	895.12	\$268.67	8.8%	3.4%	5.2%
201309	25,037	45,204	986,679	3,506	0.99	1,000,381	3,554	20.52	906.71	\$271.57	12.9%	5.1%	7.4%
201310	24,958	45,012	1,084,701	3,851	0.98	1,105,604	3,925	21.12	920.39	\$275.35	17.2%	6.4%	10.1%
201311	24,764	44,698	942,881	3,366	0.97	971,421	3,468	21.32	921.31	\$277.68	18.4%	6.4%	11.3%
201312	24,369	44,056	1,026,556	3,336	0.95	1,083,016	3,521	21.74	927.42	\$281.32	21.9%	7.3%	13.6%
201401	23,445	42,419	852,493	2,817	0.89	955,875	3,159	21.94	927.12	\$283.95	21.6%	7.5%	13.1%
201402	22,629	41,087	718,608	2,404	0.83	868,522	2,910	21.98	925.91	\$284.90	20.2%	6.6%	12.7%
201403	21,669	39,429	585,760	1,414	0.39	1,490,960	3,614	23.30	942.47	\$296.63	27.8%	9.1%	17.1%
Experience Period	303,915	549,883	11,801,811	41,971	0.99	11,955,628	42,498						
201303	25,726	46,590									-3.8%	2.1%	-5.8%
201309	25,037	45,204									12.9%	5.1%	7.4%
201312	24,369	44,056									21.9%	7.3%	13.6%
Avg last 6 months	24,942	45,050									13.8%	5.3%	8.0%
Selected Pricing Trend												6.0%	10.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products Rates Effective 1/1/2015  
**D.C. GHMSI Small Group & Individual Base Experience Rx**  
Experience Period: Incurred 201301 - 201312, Paid through 201403

Month	Contracts	Members	Allowed	Scripts	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Scripts	Allowed	Scripts/1000	Unit Cost	Allowed	Scripts/1000	Unit Cost
201104	24,573	44,425	4,233,261	35,613	1.00	4,233,261	35,613						
201105	24,638	44,458	4,354,373	37,107	1.00	4,354,373	37,107						
201106	24,853	44,833	4,551,853	36,678	1.00	4,551,853	36,678						
201107	25,227	45,408	4,210,285	35,189	1.00	4,210,285	35,189						
201108	25,548	46,029	4,591,213	36,973	1.00	4,591,213	36,973						
201109	25,817	46,386	4,524,802	35,261	1.00	4,524,802	35,261						
201110	25,789	46,303	4,483,827	36,946	1.00	4,483,827	36,946						
201111	25,887	46,489	4,591,120	37,544	1.00	4,591,120	37,544						
201112	26,071	46,963	4,678,459	39,030	1.00	4,678,459	39,030						
201201	25,978	46,832	4,909,976	39,711	1.00	4,909,976	39,711						
201202	26,250	47,247	4,505,044	36,865	1.00	4,505,044	36,865						
201203	26,258	47,356	4,773,854	39,397	1.00	4,773,854	39,397	98.44	9,689.68	\$121.91			
201204	26,447	47,649	4,726,161	37,733	1.00	4,726,161	37,733	98.75	9,679.25	\$122.43			
201205	26,395	47,635	4,904,952	39,047	1.00	4,904,952	39,047	99.17	9,665.89	\$123.12			
201206	26,655	48,196	4,469,023	36,997	1.00	4,469,023	36,997	98.43	9,614.90	\$122.85			
201207	26,601	48,222	4,650,061	37,466	1.00	4,650,061	37,466	98.72	9,615.38	\$123.21			
201208	26,688	48,462	4,803,099	38,604	1.00	4,803,099	38,604	98.67	9,608.64	\$123.23			
201209	26,679	48,449	4,361,381	35,615	1.00	4,361,381	35,615	98.03	9,581.31	\$122.77			
201210	26,712	48,511	4,697,750	38,069	1.00	4,697,750	38,069	98.02	9,567.89	\$122.94			
201211	26,544	48,222	4,567,187	37,670	1.00	4,567,187	37,670	97.69	9,541.62	\$122.86			
201212	26,341	47,990	4,851,088	38,650	1.00	4,851,088	38,650	97.81	9,516.64	\$123.34			
201301	25,958	47,246	5,119,718	40,217	1.00	5,119,718	40,217	98.11	9,520.35	\$123.66			
201302	25,846	46,937	4,314,451	35,170	1.00	4,314,451	35,170	97.83	9,490.10	\$123.70			
201303	25,726	46,590	4,835,349	37,134	1.00	4,835,349	37,134	98.07	9,455.46	\$124.46	-0.4%	-2.4%	2.1%
201304	25,708	46,561	4,865,205	37,431	1.00	4,865,205	37,431	98.49	9,467.09	\$124.85	-0.3%	-2.2%	2.0%
201305	25,578	46,236	4,777,087	37,531	1.00	4,777,087	37,531	98.51	9,458.43	\$124.98	-0.7%	-2.1%	1.5%
201306	25,449	46,015	4,597,348	34,690	1.00	4,597,348	34,690	99.11	9,446.04	\$125.91	0.7%	-1.8%	2.5%
201307	25,264	45,677	5,070,693	36,340	1.00	5,070,693	36,340	100.30	9,464.61	\$127.17	1.6%	-1.6%	3.2%
201308	25,258	45,651	4,974,751	35,069	1.00	4,974,751	35,069	101.11	9,436.58	\$128.57	2.5%	-1.8%	4.3%
201309	25,037	45,204	4,839,945	33,799	1.00	4,839,945	33,799	102.54	9,452.32	\$130.18	4.6%	-1.3%	6.0%
201310	24,958	45,012	5,242,465	35,643	1.00	5,242,465	35,643	104.16	9,459.43	\$132.14	6.3%	-1.1%	7.5%
201311	24,764	44,698	4,766,864	33,048	1.00	4,766,864	33,048	105.19	9,419.47	\$134.01	7.7%	-1.3%	9.1%
201312	24,369	44,056	5,289,190	35,416	1.00	5,289,190	35,416	106.74	9,416.29	\$136.02	9.1%	-1.1%	10.3%
201401	23,445	42,419	4,307,404	32,840	1.00	4,307,404	32,840	106.19	9,337.26	\$136.48	8.2%	-1.9%	10.4%
201402	22,629	41,087	3,897,255	29,284	1.00	3,897,255	29,284	106.57	9,307.57	\$137.40	8.9%	-1.9%	11.1%
201403	21,669	39,429	4,273,443	31,355	1.00	4,273,443	31,355	106.95	9,302.51	\$137.96	9.1%	-1.6%	10.9%
Experience Period	303,915	549,883	58,693,066	431,488	1.00	58,693,066	431,488						
201303	25,726	46,590									-0.4%	-2.4%	2.1%
201309	25,037	45,204									4.6%	-1.3%	6.0%
201312	24,369	44,056									9.1%	-1.1%	10.3%
Avg last 6 months	24,942	45,050									5.3%	-1.4%	6.7%
Selected Pricing Trend												-1.5%	7.5%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products Rates Effective 1/1/2015  
**D.C. GHMSI Small Group & Individual Base Experience - Medical and Rx Total**  
Experience Period: Incurred 201301 - 201312, Paid through 201403

					Completed	Rolling 12 PMPM	Rolling 12 Trend
Month	Contracts	Members	Allowed	Completion Factor	Allowed	Allowed	Allowed
201104	24,573	44,425	16,849,310	1.00	16,849,310		
201105	24,638	44,458	17,452,372	1.00	17,452,372		
201106	24,853	44,833	17,243,222	1.00	17,243,222		
201107	25,227	45,408	16,185,717	1.00	16,185,717		
201108	25,548	46,029	18,787,497	1.00	18,787,497		
201109	25,817	46,386	17,954,668	1.00	17,954,668		
201110	25,789	46,303	17,551,594	1.00	17,551,594		
201111	25,887	46,489	17,925,812	1.00	17,925,812		
201112	26,071	46,963	17,653,433	1.00	17,653,433		
201201	25,978	46,832	19,311,583	1.00	19,311,583		
201202	26,250	47,247	17,507,849	1.00	17,508,090		
201203	26,258	47,356	20,336,379	1.00	20,336,586	388.54	
201204	26,447	47,649	18,109,222	1.00	18,110,504	388.56	
201205	26,395	47,635	19,558,488	1.00	19,560,470	390.12	
201206	26,655	48,196	17,933,714	1.00	17,935,845	389.02	
201207	26,601	48,222	19,515,580	1.00	19,518,366	392.98	
201208	26,688	48,462	19,334,226	1.00	19,337,842	392.27	
201209	26,679	48,449	18,078,702	1.00	18,083,860	391.07	
201210	26,712	48,511	19,130,810	1.00	19,139,454	392.34	
201211	26,544	48,222	18,147,525	1.00	18,157,203	391.56	
201212	26,341	47,990	17,618,514	1.00	17,627,723	390.81	
201301	25,958	47,246	20,650,165	1.00	20,666,739	392.89	
201302	25,846	46,937	17,924,017	1.00	17,942,454	393.85	
201303	25,726	46,590	19,000,208	1.00	19,024,540	392.09	0.9%
201304	25,708	46,561	19,928,776	1.00	19,971,457	396.09	1.9%
201305	25,578	46,236	19,036,133	1.00	19,101,305	396.25	1.6%
201306	25,449	46,015	18,295,226	1.00	18,369,920	398.53	2.4%
201307	25,264	45,677	19,373,558	0.99	19,473,864	400.24	1.8%
201308	25,258	45,651	19,058,192	0.99	19,204,588	402.00	2.5%
201309	25,037	45,204	20,248,985	0.99	20,463,017	408.57	4.5%
201310	24,958	45,012	20,298,874	0.99	20,590,629	413.74	5.5%
201311	24,764	44,698	18,323,235	0.98	18,733,184	417.41	6.6%
201312	24,369	44,056	18,599,677	0.96	19,333,336	423.50	8.4%
201401	23,445	42,419	17,888,618	0.92	19,522,635	425.15	8.2%
201402	22,629	41,087	14,631,949	0.87	16,854,882	427.75	8.6%
201403	21,669	39,429	9,665,729	0.54	18,024,186	431.62	10.1%
Experience Period	303,915	549,883	230,737,046	0.99	232,875,032		
201303	25,726	46,590					0.9%
201309	25,037	45,204					4.5%
201312	24,369	44,056					8.4%
Avg last 6 months	24,942	45,050					4.9%

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**

**DC Combined - Small Group & Individual Capitations**

<u>Description</u>	<u>1/1/13 PMPM</u>	<u>1/1/14 PMPM</u>	<u>Δ</u>
Mental Health UR	\$0.60	\$0.62	2.6%
Nurse Hotline	\$0.04	\$0.04	0.0%
Wellness*	\$0.21	\$0.21	0.0%
Vision	\$0.41	\$0.42	2.1%
	<u>\$1.26</u>	<u>\$1.29</u>	<u>1.9%</u>

\*The total Capitation for Wellness is \$0.26, but only applies to members age 18+.

**Group Hospitalization & Medical Services, Inc. (GHMSI)  
d.b.a. CareFirst BlueCross BlueShield  
(NAIC # 53007)**

**DC Individual Exchange Products  
Rates Effective 1/1/2015**

**Actuarial Value Calculations**

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Actuarial Value Calculations**  
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**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**BluePreferred HSA Bronze \$3500**

**User Inputs for Plan Parameters**

Use Integrated Medical and Drug Deductible? Y  
 Apply Inpatient Copay per Day? N  
 Apply Skilled Nursing Facility Copay per Day? N  
 Use Separate OOP Maximum for Medical and Drug Spending? N  
 Indicate if Plan Meets CSR Standard? N  
 Desired Metal Tier Bronze

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	N	Blended Network/POS Plan?	N
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

Tier 1 Plan Benefit Design		
Medical	Drug	Combined
Deductible (\$)		\$3,500.00
Coinsurance (% Insurer's Cost Share)		80.00%
OOP Maximum (\$)		\$6,350.00
OOP Maximum if Separate (\$)		

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

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Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
<b>Medical</b>								
Emergency Room Services	Y	Y						
All Inpatient Hospital Services (inc. MHSA)	Y	Y						
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	Y	N		\$30.00				
Specialist Visit	Y	N		\$40.00				
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	Y	N		\$30.00				
Imaging (CT/PET Scans, MRIs)	Y	Y						
Rehabilitative Speech Therapy	Y	N		\$40.00				
Rehabilitative Occupational and Rehabilitative Physical Therapy	Y	N		\$40.00				
Preventive Care/Screening/Immunization	N	N	100%	\$0.00				
Laboratory Outpatient and Professional Services	Y	Y						
X-rays and Diagnostic Imaging	Y	Y						
Skilled Nursing Facility	Y	Y						
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Y	Y						
Outpatient Surgery Physician/Surgical Services	Y	Y						
<b>Drugs</b>								
Generics	Y	Y	80%					
Preferred Brand Drugs	Y	Y	70%					
Non-Preferred Brand Drugs	Y	Y	50%					
Specialty Drugs (i.e. high-cost)	Y	Y	50%					

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments?	N
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	N
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	N
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	N
# Copays (1-10):	

**Output**

Status/Error Messages: Calculation Successful.  
 Actuarial Value: 61.2%  
 Metal Tier: Bronze

\*"Y" means the checkbox was checked, "N" means the checkbox was left unchecked.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**BluePreferred HSA Silver \$1500**

**User Inputs for Plan Parameters**

Use Integrated Medical and Drug Deductible? Y  
 Apply Inpatient Copay per Day? N  
 Apply Skilled Nursing Facility Copay per Day? N  
 Use Separate OOP Maximum for Medical and Drug Spending? N  
 Indicate if Plan Meets CSR Standard? N  
 Desired Metal Tier Silver

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	N	Blended Network/POS Plan?	N
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

Tier 1 Plan Benefit Design		
Medical	Drug	Combined
Deductible (\$)		\$1,500.00
Coinsurance (% Insurer's Cost Share)		70.00%
OOP Maximum (\$)		\$5,500.00
OOP Maximum if Separate (\$)		

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

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Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
<b>Medical</b>								
Emergency Room Services	Y	Y						
All Inpatient Hospital Services (inc. MHSA)	Y	Y						
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	Y	N		\$30.00				
Specialist Visit	Y	N		\$40.00				
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	Y	N		\$30.00				
Imaging (CT/PET Scans, MRIs)	Y	Y						
Rehabilitative Speech Therapy	Y	N		\$40.00				
Rehabilitative Occupational and Rehabilitative Physical Therapy	Y	N		\$40.00				
Preventive Care/Screening/Immunization	N	N	100%	\$0.00				
Laboratory Outpatient and Professional Services	Y	Y						
X-rays and Diagnostic Imaging	Y	Y						
Skilled Nursing Facility	Y	Y						
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Y	Y						
Outpatient Surgery Physician/Surgical Services	Y	Y						
<b>Drugs</b>								
Generics	Y	Y	80%					
Preferred Brand Drugs	Y	Y	70%					
Non-Preferred Brand Drugs	Y	Y	50%					
Specialty Drugs (i.e. high-cost)	Y	Y	50%					

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments? N
Specialty Rx Coinsurance Maximum:
Set a Maximum Number of Days for Charging an IP Copay? N
# Days (1-10):
Begin Primary Care Cost-Sharing After a Set Number of Visits? N
# Visits (1-10):
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays? N
# Copays (1-10):

**Output**

Status/Error Messages: Calculation Successful.  
 Actuarial Value: 68.4%  
 Metal Tier: Silver

\*\*"Y" means the checkbox was checked, "N" means the checkbox was left unchecked.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**BluePreferred HSA Silver 133%-150% FPL**

**User Inputs for Plan Parameters**

Use Integrated Medical and Drug Deductible? N  
 Apply Inpatient Copay per Day? N  
 Apply Skilled Nursing Facility Copay per Day? N  
 Use Separate OOP Maximum for Medical and Drug Spending? N  
 Indicate if Plan Meets CSR Standard? Y  
 Desired Metal Tier Platinum

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	N	Blended Network/POS Plan?	N
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

Tier 1 Plan Benefit Design		
Medical	Drug	Combined
Deductible (\$)	\$0.00	\$0.00
Coinsurance (% Insurer's Cost Share)	90.00%	90.00%
OOP Maximum (\$)	\$2,250.00	
OOP Maximum if Separate (\$)		

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

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Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
<b>Medical</b>								
Emergency Room Services	Y	Y						
All Inpatient Hospital Services (inc. MHSA)	Y	Y						
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	Y	N						
Specialist Visit	Y	N		\$10.00				
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	Y	N						
Imaging (CT/PET Scans, MRIs)	Y	Y						
Rehabilitative Speech Therapy	Y	N		\$10.00				
Rehabilitative Occupational and Rehabilitative Physical Therapy	Y	N		\$10.00				
Preventive Care/Screening/Immunization	N	N	100%	\$0.00				
Laboratory Outpatient and Professional Services	Y	Y						
X-rays and Diagnostic Imaging	Y	Y						
Skilled Nursing Facility	Y	Y						
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Y	Y						
Outpatient Surgery Physician/Surgical Services	Y	Y						
<b>Drugs</b>								
Generics	Y	Y	100%					
Preferred Brand Drugs	Y	Y	90%					
Non-Preferred Brand Drugs	Y	Y	80%					
Specialty Drugs (i.e. high-cost)	Y	Y	80%					

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments?	N
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	N
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	N
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	N
# Copays (1-10):	

**Output**

Status/Error Messages: CSR Level of 94% (100-150% FPL), Calculation Successful.  
 Actuarial Value: 93.2%  
 Metal Tier: Platinum

\*"Y" means the checkbox was checked, "N" means the checkbox was left unchecked.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**BluePreferred HSA Silver 150%-200% FPL**

**User Inputs for Plan Parameters**

Use Integrated Medical and Drug Deductible? N  
 Apply Inpatient Copay per Day? N  
 Apply Skilled Nursing Facility Copay per Day? N  
 Use Separate OOP Maximum for Medical and Drug Spending? N  
 Indicate if Plan Meets CSR Standard? Y  
 Desired Metal Tier Gold

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	N	Blended Network/POS Plan?	N
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

Tier 1 Plan Benefit Design		
Medical	Drug	Combined
Deductible (\$)	\$0.00	\$0.00
Coinsurance (% Insurer's Cost Share)	70.00%	70.00%
OOP Maximum (\$)	\$2,250.00	
OOP Maximum if Separate (\$)		

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

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Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
<b>Medical</b>								
Emergency Room Services	Y	Y						
All Inpatient Hospital Services (inc. MHSA)	Y	Y						
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	Y	N		\$5.00				
Specialist Visit	Y	N		\$20.00				
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	Y	N		\$5.00				
Imaging (CT/PET Scans, MRIs)	Y	Y						
Rehabilitative Speech Therapy	Y	N		\$20.00				
Rehabilitative Occupational and Rehabilitative Physical Therapy	Y	N		\$20.00				
Preventive Care/Screening/Immunization	N	N	100%	\$0.00				
Laboratory Outpatient and Professional Services	Y	Y						
X-rays and Diagnostic Imaging	Y	Y						
Skilled Nursing Facility	Y	Y						
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Y	Y						
Outpatient Surgery Physician/Surgical Services	Y	Y						
<b>Drugs</b>								
Generics	Y	Y	100%					
Preferred Brand Drugs	Y	Y	70%					
Non-Preferred Brand Drugs	Y	Y	50%					
Specialty Drugs (i.e. high-cost)	Y	Y	50%					

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments?	N
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	N
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	N
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	N
# Copays (1-10):	

**Output**

Status/Error Messages: CSR Level of 87% (150-200% FPL), Calculation Successful.  
 Actuarial Value: 87.6%  
 Metal Tier: Gold

\*\*Y" means the checkbox was checked, "N" means the checkbox was left unchecked.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**BluePreferred HSA Silver 200%-250% FPL**

**User Inputs for Plan Parameters**

Use Integrated Medical and Drug Deductible? Y  
 Apply Inpatient Copay per Day? N  
 Apply Skilled Nursing Facility Copay per Day? N  
 Use Separate OOP Maximum for Medical and Drug Spending? N  
 Indicate if Plan Meets CSR Standard? Y  
 Desired Metal Tier Silver

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	N	Blended Network/POS Plan?	N
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

Tier 1 Plan Benefit Design		
Medical	Drug	Combined
		\$700.00
		70.00%
		\$5,200.00

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

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Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
<b>Medical</b>								
Emergency Room Services	Y	Y						
All Inpatient Hospital Services (inc. MHSA)	Y	Y						
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	Y	N		\$30.00				
Specialist Visit	Y	N		\$40.00				
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	Y	N		\$30.00				
Imaging (CT/PET Scans, MRIs)	Y	Y						
Rehabilitative Speech Therapy	Y	N		\$40.00				
Rehabilitative Occupational and Rehabilitative Physical Therapy	Y	N		\$40.00				
Preventive Care/Screening/Immunization	N	N	100%	\$0.00				
Laboratory Outpatient and Professional Services	Y	Y						
X-rays and Diagnostic Imaging	Y	Y						
Skilled Nursing Facility	Y	Y						
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Y	Y						
Outpatient Surgery Physician/Surgical Services	Y	Y						
<b>Drugs</b>								
Generics	Y	Y	80%					
Preferred Brand Drugs	Y	Y	70%					
Non-Preferred Brand Drugs	Y	Y	50%					
Specialty Drugs (i.e. high-cost)	Y	Y	50%					

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments?	N
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	N
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	N
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	N
# Copays (1-10):	

**Output**

Status/Error Messages: CSR Level of 73% (200-250% FPL), Calculation Successful.  
 Actuarial Value: 73.7%  
 Metal Tier: Silver

\*"Y" means the checkbox was checked, "N" means the checkbox was left unchecked.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**BluePreferred Gold \$500**

**User Inputs for Plan Parameters**

Use Integrated Medical and Drug Deductible? Y  
 Apply Inpatient Copay per Day? N  
 Apply Skilled Nursing Facility Copay per Day? N  
 Use Separate OOP Maximum for Medical and Drug Spending? N  
 Indicate if Plan Meets CSR Standard? N  
 Desired Metal Tier Gold

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	N	Blended Network/POS Plan?	N
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

Tier 1 Plan Benefit Design		
Medical	Drug	Combined
Deductible (\$)		\$500.00
Coinsurance (% Insurer's Cost Share)		80.00%
OOP Maximum (\$)		\$3,750.00
OOP Maximum if Separate (\$)		

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

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Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
<b>Medical</b>								
Emergency Room Services	Y	Y						
All Inpatient Hospital Services (inc. MHSA)	Y	Y						
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	Y	N		\$30.00				
Specialist Visit	Y	N		\$40.00				
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	Y	N		\$30.00				
Imaging (CT/PET Scans, MRIs)	Y	Y						
Rehabilitative Speech Therapy	Y	N		\$40.00				
Rehabilitative Occupational and Rehabilitative Physical Therapy	Y	N		\$40.00				
Preventive Care/Screening/Immunization	N	N	100%	\$0.00				
Laboratory Outpatient and Professional Services	Y	Y						
X-rays and Diagnostic Imaging	Y	Y						
Skilled Nursing Facility	Y	Y						
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Y	Y						
Outpatient Surgery Physician/Surgical Services	Y	Y						
<b>Drugs</b>								
Generics	Y	Y	80%					
Preferred Brand Drugs	Y	Y	70%					
Non-Preferred Brand Drugs	Y	Y	50%					
Specialty Drugs (i.e. high-cost)	Y	Y	50%					

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments?	N
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	N
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	N
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	N
# Copays (1-10):	

**Output**

Status/Error Messages: Calculation Successful.  
 Actuarial Value: 78.3%  
 Metal Tier: Gold

\*"Y" means the checkbox was checked, "N" means the checkbox was left unchecked.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**BluePreferred Platinum \$0**

**User Inputs for Plan Parameters**

Use Integrated Medical and Drug Deductible? N  
 Apply Inpatient Copay per Day? N  
 Apply Skilled Nursing Facility Copay per Day? N  
 Use Separate OOP Maximum for Medical and Drug Spending? N  
 Indicate if Plan Meets CSR Standard? N  
 Desired Metal Tier Platinum

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	N	Blended Network/POS Plan?	N
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

Tier 1 Plan Benefit Design		
Medical	Drug	Combined
Deductible (\$)	\$0.00	\$0.00
Coinsurance (% Insurer's Cost Share)	90.00%	90.00%
OOP Maximum (\$)	\$1,800.00	
OOP Maximum if Separate (\$)		

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

[Click Here for Important Instructions](#)

Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
<b>Medical</b>								
Emergency Room Services	Y	Y						
All Inpatient Hospital Services (inc. MHSA)	Y	Y						
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	Y	N		\$20.00				
Specialist Visit	Y	N		\$30.00				
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	Y	N		\$20.00				
Imaging (CT/PET Scans, MRIs)	Y	Y						
Rehabilitative Speech Therapy	Y	N		\$30.00				
Rehabilitative Occupational and Rehabilitative Physical Therapy	Y	N		\$30.00				
Preventive Care/Screening/Immunization	N	N	100%	\$0.00				
Laboratory Outpatient and Professional Services	Y	Y						
X-rays and Diagnostic Imaging	Y	Y						
Skilled Nursing Facility	Y	Y						
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Y	Y						
Outpatient Surgery Physician/Surgical Services	Y	Y						
<b>Drugs</b>								
Generics	Y	Y	80%					
Preferred Brand Drugs	Y	Y	70%					
Non-Preferred Brand Drugs	Y	Y	50%					
Specialty Drugs (i.e. high-cost)	Y	Y	50%					

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments?	N
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	N
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	N
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	N
# Copays (1-10):	

**Output**

Status/Error Messages: Calculation Successful.  
 Actuarial Value: 88.2%  
 Metal Tier: Platinum

\*"Y" means the checkbox was checked, "N" means the checkbox was left unchecked.

**CAREFIRST BLUECROSS BLUESHIELD (CF)**  
**PART III ACTUARIAL MEMORANDUM**

**1. GENERAL INFORMATION:**

- A. **Company Legal Name:** Group Hospitalization and Medical Services, Inc. (NAIC # 53007) (GHMSI).
- B. **Jurisdiction:** District of Columbia.
- C. **HIOS Issuer ID:** 78079.
- D. **Market:** Individual, Non-Medigap (On Exchange).
- E. **Effective Date:** 1/1/15 – 12/31/15.
- F. **Primary Contact Name:** Mr. Todd Switzer, A.S.A., M.A.A.A.
- G. **Primary Contact Telephone Number:** 410-998-7107.
- H. **Primary Contact E-Mail Address:** Todd.Switzer@CareFirst.com.

2. **PROPOSED RATE INCREASE(S):** In compliance with the "Patient Protection and Affordable Care Act" (ACA, H.R. 3590) and toward the same 2014 objectives of maximizing access and affordability, long-term financial viability and customer rate stability, CareFirst (CF) is proposing to raise premiums by 12.1%, prior to age band changes. (For CF the proposed renewal is 13.0%.) The range is 4.1% to 15.3%. (For renewing customers, an age band change adds 2.6% to the renewal, on average, with a range of 0.0% to 3.9% for ages 22 and upwards per the DC age curve.)

3. **EXPERIENCE PERIOD PREMIUM AND CLAIMS:** The incurred period is 1/1/13 through 12/31/13, as required.

- A. **Paid Through Date:** 3/31/14.
- B. **Premiums (Net of Medical Loss Ratio (MLR) Rebate) in Experience Period:** \$192,950,934 (Merged Index Rate).
- C. **Allowed and Incurred Claims From Experience Period:** \$190,898,624 (Merged Index Rate).

**4. BENEFIT CATEGORIES:**

- A. Inpatient (hospital).
- B. Outpatient (hospital).
- C. Professional.
- D. Other Medical (non-capitated ambulance, home health care, durable medical equipment, prosthetics, supplies, vision exams, dental services and other).
- E. Prescription drug (Rx).
- F. Capitations.

**5. PROJECTION FACTORS:**

- A. **Changes in the Morbidity of the Population Insured:** For 2015, CareFirst estimates a morbidity factor that is almost identical to 2014's projected morbidity. The morbidity risk factor projections are based upon the model that supported CareFirst's 2014 rate filings. The model compares known and estimated allowed claims costs per member per month (PMPM) for 2013 to project the costs of various categories of the estimated 2015 membership.

These categories are based upon the prior status of the 2015 membership – previous CareFirst members (medically underwritten "Individual Non-Medigap" (INM), Open Enrollment, HIPAA, Group Conversion, Groups (small and large including Congress)) and New Entrants sorted by income (i.e., > 200% of the Federal Poverty Level (FPL)). As of 5/12/14, CF has enrolled approximately 10,000 members from Congress through the Small Business Health Options Program (SHOP). The prospect of offering SHOP plans to Congress was not known at the time of the 2014 rate filings. This influx of Congressional members with an average age of 32.3 years versus 33.7 for Small Group (SG) and 36.1 for INM contributed to the decline in the morbidity factor. Congress is projected to represent



~12% of total enrollment with an ~10% improvement in the loss ratio leading to ~1% reduction to premiums. On 12/31/15 we are projecting about 23,000 CF INM members and 71,000 for CF SG for a total of approximately 94,000.

- B. **Changes in Benefits:** For CareFirst's Individual offerings, our portfolio is not changing. We will still offer 15 benefit plans – 1 Young Adult/Catastrophic, 4 Bronze, 4 Silver, 4 Gold and 2 Platinum. We have recalculated the costs of "Essential Health Benefits" (EHB) as well as Non-EHBs.

Related to autism benefits, per the "Better Prices, Better Quality, Better Choices for Health Coverage Amendment Act of 2013" passed on 6/4/13 (D.C. Official Code § 31-3171.01, et seq.) we have calculated an increase in claims PMPM of \$1.74 for INM and \$5.15 for SG PMPM for 2015. This is largely for "Applied Behavioral Analysis" (ABA) treatments and is a D.C.-mandated benefit.

Attached exhibits detail adjustments for pediatric dental, mandatory generics, and a new hepatitis C prescription drug, Sovaldi.

- C. **Changes in Demographics:** Comparing the overall CareFirst member-level average age as of 12/31/12 to 3/31/14, we have seen an increase of 0.4 years from 33.8 to 34.2. For BlueChoice the increase is +0.6 from 33.7 to 34.3. For GHMSI the increase is +0.2 years from 33.9 to 34.1.

For INM CF, the average age increased by 2.1 years from 34.0 to 36.1. For BlueChoice the increase is +1.8 from 34.2 to 36.0. For GHMSI the increase is +2.4 years from 33.9 to 36.3.

Age factors will account for a portion of the corresponding increase in claims cost. We find the CMS age curve spread of "3 to 1" to be lower than the "4.5 to 1" that is more correlated with expected claims costs. We have therefore adjusted expected claims costs accordingly in the "experience period" (EP) index rate projection in the "other" category.

- D. **Other Adjustments:** CareFirst is proposing to introduce an incentive program (IP) whereby members can earn medical expense debit cards of as much as \$150 annually, for an individual (\$400 for a family). The cards must be utilized for qualified medical expenses such as deductibles, copays, and out-of-pocket costs. The scope includes all benefit plans within CF's portfolio. This is being done in a revenue-neutral way. That is, the costs to CF of the incentive payments were chosen such that they match the expected savings to CF from more efficacious health care delivery. "HealthyBlue" (HB) was first launched effective 10/1/10 with the objective of motivating and rewarding greater engagement by the member in his or her health, improved wellness and prevention and better provider coordination and quality. As we sought to respond to feedback about HB, subsequent versions were released on 1/1/12 and 10/1/12. This IP represents an evolution of the HB concept. Further, it joins the tenets of HB with our "Patient Centered Medical Home" (PCMH) program which was launched in January, 2011.

The savings has been incorporated in the "Other" category when projecting the EP index rate. The cost of the incentive has been included in "general and administrative expenses." Our aim is that this IP will improve our members' health.

Included in this calculation are decreases to claims costs for 1) a change in our "Pharmacy Benefits Manager" (PBM) in 2014 and 2) a reduction in our fee schedule for out-of-network (OON) utilization for HMO-based products that have an OON option (a.k.a., "NP3").

- E. **Trend Factors (Cost/Utilization):** The proposed trend of 7.0% is an increase of 200 basis points from 2014's 5.0%.

## 6. CREDIBILITY MANUAL RATE DEVELOPMENT:

- A. **Source and Appropriateness of Experience Data Used:** The calendar 2013 base data includes 462,200 member months (average monthly of 38,517) and is therefore considered 100% credible.

B. **Adjustments Made to the Data:** Non-EHBs (adult vision and abortion) were removed to develop the index rate.

C. **Inclusion of Capitation Payments:** A new exhibit lists all capitations.

7. **PAID TO ALLOWED RATIO:** Projected at 74.6%, on average.

8. **RISK ADJUSTMENT AND REINSURANCE:**

A. **Projected Risk Adjustments PMPM:** \$0 due to uncertainty.

B. **Projected ACA Reinsurance Recoveries Net of Reinsurance Premium (Individual Market and Combined Markets Only):** Total reinsurance recoveries are based upon a calendar year (CY) 2015 attachment point of \$70,000, cap of \$250,000, and 50% coinsurance. Total net reinsurance recoveries of \$19.79 PMPM are derived by subtracting the CY2015 reinsurance assessment fee of \$3.67 and reinsurance administrative fee of \$0.11 PMPM from gross recoveries of \$23.57 PMPM.

9. **NON-BENEFIT EXPENSES AND CONTRIBUTION TO RESERVE (CtR):** The 2015 “desired incurred claims ratio” (DICR) has decreased from 77.0% (2014) to 75.1%, due primarily to the medical expense debit card issue described in “Other Adjustments,” above.

A. **Administrative Expense Load:** G&A PMPMs decreased by 7% versus 2014

B. **CtR & Risk Margin:** Remains at 0.0%, break-even.

C. **Taxes and Fees:**

- Community Health Investment of 2.0%.
- Federal Income Tax (FIT) of 0.0%.
- Health Insurer Fee increased 73 basis points to 2.6% considering non-deductibility for tax purposes.
- Patient-Centered Outcomes Research Institute (PCORI) of \$2.11 PMPY (\$0.18 PMPM).
- Reinsurance Payments decreased from \$5.25 PMPM to \$3.67 PMPM.
- Risk Adjustment User Fees remained at \$0.08 PMPM.
- Reinsurance Administrative Fee is \$0.11 PMPM.
- Exchange Assessment Fee of 1.0% for 2015 and 1.0% for 2014 per the “Health Benefit Exchange Authority Financial Sustainability Emergency Amendment Act of 2014” (D.C. Act 20-329) approved on 5/22/14. In addition, there is an additional state assessment fee of 0.04%.

10. **PROJECTED LOSS RATIO:** Our projected DICR for MLR purposes is 80.0%, meeting the 80.0% minimum of “Public Health Service Act” (PHSA) 218. For testing we used the combined experience of INM and SG.

11. **SINGLE RISK POOL (SRP):** Our SRP reflects all covered lives for every non-grandfathered product in our market per 45 CFR Part § 156.80 (d). There are no transitional policies for CareFirst in D.C. This encompasses INM Open Enrollment, HIPAA, Group Conversion and formerly medically underwritten coverages as well as SGs.

12. **INDEX RATE:** The EP index rate is a key component driving the renewal. Last year’s implicit 2013 index rate was \$421 (\$401 + trend of 5.0%). The actual for 2013 is \$413 for a favorable variance of -2%.

For GHMSI the experience period index rates for INM, SG and INM+SG are \$218, \$436 and \$413, respectively. By using the merged index rate, INM goes up by +90% (i.e., \$413 versus \$218) and SG goes down by -5% (i.e., \$413 versus \$436).

For CF the experience period index rates for INM, SG and INM+SG are \$290, \$372 and \$364, respectively. By using the merged index rate, INM goes up by +26% (i.e., \$364 versus \$290) and SG goes down by -2% (i.e., \$364 versus \$372).

The ratio of our composite PPO to HMO rate was 1.41 in 2014. 2015 filings change this ratio to 1.39.

Retail Clinics will have reduced copays to match the primary care physician (PCP) rather than specialist copay with negligible price impact.

A 5-tiered drug structure (Generics-Preferred, Generics-Non-Preferred, Brand Name-Preferred, Brand Name-Non-Preferred, Specialty) is currently used for approximately 20% of our benefits. This is changing to a 4-tier structure by collapsing the Generics tiers.

13. **MARKET ADJUSTED INDEX RATE:** A summary exhibit is provided.
14. **PLAN ADJUSTED INDEX RATES:** Network factors composite to 1.00. The “cost-share” factor includes 1) pricing AVs, 2) H.S.A./Non-H.S.A. factors and 3) benefit generosity. There is only 1 GHMSI network, the PPO/RPN.
15. **CALIBRATION:** Done for age and geography but we have elected not to rate for tobacco usage. Capping dependents under the age of 21 at 3 is implicit in the calibration.
16. **CONSUMER ADJUSTED PREMIUM RATE DEVELOPMENT:** Rate charts are provided.
17. **HHS ACTUARIAL METAL VALUES (AV):** The Federal calculator was used exclusively, without modifications. Printouts for each plan are provided as part of the QHP binder submission under separate cover.

Some AVs changed from last year even though we have the same product portfolio and the Federal calculator “stayed the same.” The reasons are 1) 1 undocumented change of the Federal calculator was to fix it to allow the 150-200% Cost Sharing Reduction (CSR) plans to be run with a gold metal level selected as indicated in the instructions, instead of being forced to run it as platinum contrary to the instructions of last year (3 of the 4 CSR plans stayed in range but have a new AV - one had to have a copay raised to get back into range), 2) for BP Platinum \$0, we correctly ran it as a non-integrated plan this year instead of an integrated plan last year with a negligible impact.
18. **AV PRICING VALUES:** Our 2014 rates had used a 50%/50% blend of CF internal AVs and HHS AVs. We have graded that more toward CF’s AVs for 2015 with 75% CF/25% HHS. The same 2 foundational models were used with minor modifications.
19. **MEMBERSHIP PROJECTIONS:** We had projected 20% of enrollment in PPO plans as of 12/31/14 in our 2014 filings. Actual data as of 5/12/14 indicate that PPO comprises 23% of our CF members. We had also expected 5% of enrollment in Platinum plans versus actuals of 23%. We incorporated both of these facts in projecting 12/31/15 enrollment. As of 5/12/14 we have 6,205 INM members and 16,960 SG members in metaled products.
20. **TERMINATED PRODUCTS:** Not applicable.
21. **PLAN TYPE:** PPO.
22. **WARNING ALERTS:** Per the District's instructions, we have developed our index rate with combined Small Group/Individual experience which is filled in on Worksheet 1 of the URRT, but have developed plan level rates separately as the markets are remaining separate from the federal perspective. Therefore, Worksheet 2 has only the Individual market's plan data, and all of the warnings have been triggered because the Individual totals on Worksheet 2 are less than the combined Small Group/Individual totals on Worksheet 1.

23. **RELIANCE:** None.

**Group Hospitalization & Medical Services, Inc. (GHMSI)  
d.b.a. CareFirst BlueCross BlueShield  
(NAIC # 53007)**

**DC Individual Exchange Products  
Rates Effective 1/1/2015**

**Actuarial Memorandum**

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**

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**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2015**  
**Actuarial Certification**

I, Todd Switzer, am the Senior Director of Actuarial Pricing with CareFirst BlueCross BlueShield of which Group Hospitalization and Medical Services, Incorporated is a subsidiary. I am a member of the American Academy of Actuaries. I have been involved in the development of these rates, and to the best of my knowledge and understanding, the rates in this filing have been developed in accordance with the available regulations and guidance for the Individual, non-Medigap market (on exchange) in the District of Columbia for business effective 1/1/2014. The actuarial values (AV) of the benefits proposed have been calculated with the minimally necessary modifications to the HHS AV calculator. Further, the Index rate has been developed based on my best understanding of the available regulations, guidance and sound actuarial practices and assumptions in the aggregate for the legal entity. I certify the following:

1. I am a member in good standing with the American Academy of Actuaries.
2. The projected index rate complies with applicable statutes based on my best understanding of the available guidance and sound actuarial practice and is in accordance with applicable actuarial standards including ASOP 8. The Actuarial Memorandum has been developed following the format and content prescribed in the CCIO instructions for Part III – Actuarial Memorandum.
3. The projected index rate is reasonable in relation to the projected benefits and the projected population and is based on a plausible scenario that assumes a more favorable view of the morbidity in the Individual market in the District of Columbia as described in the Actuarial Memorandum. Given the significant changes in the Individual market from 2014-2016, it is possible that the projected index rate could miss the true costs by a considerable margin up or down. If this occurs, I expect the ACA risk mitigation techniques to dampen the impact of such pricing actions with the intent to achieve long-term target pricing by the end of 2016.
4. The plan level rates are developed based only on allowed index rate modifiers in accordance with 45 CFR 156.80(d)(1) and (2) and have been calibrated to account for prescribed rating factors.
5. The percent of total premiums related to Essential Health Benefits has been estimated based on sound actuarial practice.
6. The Actuarial Values have been calculated using the HHS calculator without modification.

I further certify that the information in this filing represents the company's best understanding of the available guidance and regulations with regards to the rating of these products. This filing will be revised as applicable as any new guidance is released.

This filing has been prepared in accordance with the applicable Actuarial Standards of Practice.

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Todd Switzer, ASA, MAAA  
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Owings Mills, MD 21117

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2015**  
**Form Numbers**

**Form Numbers Associated With This Filing:**

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\*This list contains the applicable forms for the ACA products.

<b>BluePreferred</b>
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DC/CF/EXC/BP/IEA (1/14)  
DC/CF/SHOP/EXC/DOCS (1/14)  
DC/CF/EXC/NATAMER (1/14)  
DC/GHMSI/DOL APPEAL (R. 11/11)  
DC/CF/MEM/BLCRD (1/12)  
DC/CF/ANCILLARY AMEND (10/12)  
DC/GHMSI/HEALTH GUARANTEE 2/08  
DC/CF/PT PROTECT (9/10)  
DC/CF/EXC/2015 AMEND (1/15)  
DC/CF/DB/PPO/INCENTIVE (1/15)  
DC/CF/EXC/BP/BRZ SOB (R. 1/15) (Bronze Metal Level)  
DC/CF/EXC/BP/NATAMER SOB (R. 1/15)  
DC/CF/EXC/BP/PLAT SOB (R. 1/15) (Platinum Metal Level)

<b>BP Multi-State Plan</b>
----------------------------

DC/CF/EXC/MSP/BP/IEA (1/14)  
DC/CF/MSP/DB/APPEAL (1/14)  
DC/CF/SHOP/EXC/DOCS (1/14)  
DC/CF/EXC/NATAMER (1/14)  
DC/CF/MSP/EXCLUSION (1/14)  
DC/CF/MEM/BLCRD (1/12)  
DC/CF/ANCILLARY AMEND (10/12)  
DC/GHMSI/HEALTH GUARANTEE 2/08  
DC/CF/PT PROTECT (9/10)  
DC/CF/EXC/2015 AMEND (1/15)  
DC/CF/DB/PPO/INCENTIVE (1/15)  
DC/CF/EXC/BP/GOLD SOB (R. 1/15) (Gold Metal Level)  
DC/CF/EXC/BP/SIL SOB (R. 1/15) (Silver Metal Level)  
DC/CF/EXC/BP/SIL 74 SOB (R. 1/15) (Silver Metal Level 200-250% FPL)  
DC/CF/EXC/BP/SIL 88 SOB (R. 1/15) (Silver Metal Level 150-200% FPL)  
DC/CF/EXC/BP/SIL 95 SOB (R. 1/15) (Silver Metal Level 100-150% FPL)



Group Hospitalization & Medical Services, Inc. (GHMSI)  
d.b.a. CareFirst BlueCross BlueShield  
(NAIC # 53007)  
DC Individual Exchange Products  
Rates Effective 1/1/2015  
HIOS Product IDs

ACA Products Projection Period

HIOS Product ID	HIOS Product Name	HIOS Plan ID	Suffix	HIOS Plan Name	On/Off Exchange	Product Type	Abortion Coverage	Actuarial Value	Metal Level	Unique Plan	Projected Members 12/31/2015
78079DC020	BluePreferred HSA	78079DC0200001	01	BluePreferred HSA Bronze \$3,500	On	PPO	Yes	61.2%	Bronze	No	1,079
78079DC018	BluePreferred HSA Multi-State Plan	78079DC0180001	01	BlueCross BlueShield Preferred 1500, A Multi-State Plan Base	On	PPO	Yes	68.4%	Silver	No	987
78079DC018	BluePreferred HSA Multi-State Plan	78079DC0180001	06	BlueCross BlueShield Preferred 1500, A Multi-State Plan 94%	On	PPO	Yes	93.2%	Silver	No	-
78079DC018	BluePreferred HSA Multi-State Plan	78079DC0180001	05	BlueCross BlueShield Preferred 1500, A Multi-State Plan 87%	On	PPO	Yes	87.6%	Silver	No	-
78079DC018	BluePreferred HSA Multi-State Plan	78079DC0180001	04	BlueCross BlueShield Preferred 1500, A Multi-State Plan 73%	On	PPO	Yes	73.7%	Silver	No	150
78079DC016	BluePreferred Multi-State Plan	78079DC0160001	01	BlueCross BlueShield Preferred 500, A Multi-State Plan	On	PPO	Yes	78.3%	Gold	No	1,221
78079DC021	BluePreferred	78079DC0210001	01	BluePreferred Platinum \$0	On	PPO	Yes	88.2%	Platinum	No	1,763
											5,200

Existing Products Included in Experience Period

HIOS Product ID	HIOS Product Name	Contracts, as of 12/31/2013	Member Months	Total Premium	Total Allowed Claims	Incurred Claims
78079DC003	BluePreferred HSA	1,895	28,608	\$ 4,389,853	\$ 4,764,557	\$ 2,867,107
78079DC005	BluePreferred HIPAA	57	672	\$ 752,031	\$ 1,237,825	\$ 1,107,156
78079DC012	BluePreferred	958	13,506	\$ 4,070,115	\$ 3,564,814	\$ 2,696,631
78079DC013	BluePreferred Saver	307	4,423	\$ 785,061	\$ 660,781	\$ 311,727
78079DC014	BluePreferred Group Conversion	30	482	\$ 371,614	\$ 149,726	\$ 113,175
Total		3,247	47,691	\$ 10,368,674	\$ 10,377,703	\$ 7,095,796

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**

<b>Acronym</b>	<b>Definition</b>
GHMSI	Group Hospitalization and Medical Services, Inc.
AV	Actuarial Value
Med	Medical
Rx	Prescription Drugs
Non-CDH	Non- Consumer Driven Health
CDH	Consumer Driven Health
HSA	Health Savings Account
HRA	Health Reimbursement Account
PPO	Preferred Provider Organization
PPO HSA	Preferred Provider Organization Health Savings Account
PPO HRA	Preferred Provider Organization Health Reimbursement Arrangement
DICR	Desired Incurred Claims Ratio
MLR	Medical Loss Ratio (as defined by PPACA)
IBNR	Incurred But Not Reported
IAF	Income Adjustment Factors
PCP	Primary Care Physician
ER	Emergency Room
OON	Out of Network
IP	Inpatient
OP	Outpatient
Prof	Professional
OOP	Out of Pocket
Co-ins	Coinsurance

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**IND64- GHMSI RATE CHANGE SUMMARY**

1	2	3	4	6	7	8	8	9	10	11	12	13	14	15	
			RATE FILING		ACTUALS A/O 05/12/14										
			Projected Members 12/31/14						Actual- Filing	HHS AV	Base Rate	HHS AV	Base Rate		
	<u>Benefit Plan</u>	<u>Subsidies</u>	<u>FPL</u>	<u>PUBLIC ON-EXCH</u>	<u>%</u>	<u>PUBLIC ON-EXCH</u>	<u>PRIVATE OFF-EXCH</u>	<u>TOTAL</u>	<u>%</u>	<u>Δ</u>	<u>2014</u>	<u>1/1/14</u>	<u>2015</u>	<u>1/1/15</u>	<u>Δ</u>
1	<u>Bronze Plans</u>														
2	BluePreferred HSA Bronze \$3,500			1,181	43%	311		311	21%	-22%	0.612	\$ 238	0.612	\$ 263	10.4%
3															
4	<u>Silver Plans</u>														
5	BluePreferred HSA Silver \$1,500	APTC & CSR	100-150%	152	6%				0%	-6%	0.932	\$ 301	0.932	\$ 314	4.1%
6		APTC & CSR	151%-200%	169	6%				0%	-6%	0.873	\$ 301	0.876	\$ 314	4.1%
7		APTC & CSR	201-250%	151	6%	43		43	3%	-3%	0.737	\$ 301	0.737	\$ 314	4.1%
8		APTC	251-400%		0%				0%	0%					
9			401%+	473	17%	285		285	19%	2%	0.684	\$ 301	0.684	\$ 314	4.1%
10	Subtotal:			945	35%	328		328	22%	-13%	0.691	\$ 301	0.691	\$ 314	4.1%
11															
12	<u>Gold Plans</u>														
13	BluePreferred Gold \$500			405	15%	352		352	23%	9%	0.783	\$ 376	0.783	\$ 425	13.3%
14															
15	<u>Platinum Plans</u>														
16	BluePreferred Platinum \$0			203	7%	508		508	34%	26%	0.882	\$ 469	0.882	\$ 541	15.3%
17															
18	GHMSI			2,734	100%	1,499		1,499	100%	0%	0.761	\$ 363	0.761	\$ 406	12.1%
19															
20															
21	LOW RENEWAL (Minimum):														4.1%
22	HIGH RENEWAL (Maximum):														15.3%

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**IND64- CFI RATE CHANGE SUMMARY**

				RATE FILING		ACTUALS A/O 05/12/14								
				Projected Members 12/31/14										
	Benefit Plan	Subsidies	FPL	PUBLIC ON-EXCH	%	PUBLIC ON-EXCH	%	Actual- Filing Δ	HHS AV 2014	Base Rate 1/1/14	HHS AV 2015	Base Rate 1/1/15	Δ	
1	Catastrophic/Young Adult			675	5%	334	5%	0%	N/A	\$ 99	N/A	\$ 123	24.1%	
2														
3														
4	Bronze Plans													
5	BluePreferred HSA Bronze \$3,500			1,181	9%	311	5%	-4%	0.612	\$ 238	0.612	\$ 263	10.4%	
6	BlueChoice HSA Bronze \$4,000			1,654	12%	720	11%	-1%	0.601	\$ 176	0.601	\$ 198	12.5%	
7	BlueChoice Plus Bronze \$5,500			945	7%	218	3%	-4%	0.613	\$ 209	0.615	\$ 224	7.2%	
8	BlueChoice HSA Bronze \$6,000			945	7%	612	9%	2%	0.592	\$ 171	0.592	\$ 191	12.0%	
9	Subtotal:			4,725	35%	1,861	28%	-7%	0.601	\$ 188	0.602	\$ 210	11.2%	
10														
11	Silver Plans													
12	BlueChoice HSA Silver \$1,300	APTC & CSR	100-150%	348	3%		0%	-3%	0.932	\$ 245	0.932	\$ 263	7.4%	
13		APTC & CSR	151%-200%	387	3%		0%	-3%	0.877	\$ 245	0.879	\$ 263	7.4%	
14		APTC & CSR	201-250%	345	3%	95	1%	-1%	0.735	\$ 245	0.735	\$ 263	7.4%	
15		APTC	251-400%		0%		0%							
16			401%+	1,080	8%	624	9%	1%	0.696	\$ 245	0.696	\$ 263	7.4%	
17	Subtotal:			2,160	16%	719	11%	-5%	0.702	\$ 245	0.702	\$ 263	7.4%	
18														
19	BluePreferred HSA Silver \$1,500	APTC & CSR	100-150%	152	1%		0%	-1%	0.932	\$ 301	0.932	\$ 314	4.1%	
20		APTC & CSR	151%-200%	169	1%		0%	-1%	0.873	\$ 301	0.876	\$ 314	4.1%	
21		APTC & CSR	201-250%	151	1%	43	1%	0%	0.737	\$ 301	0.737	\$ 314	4.1%	
22		APTC	251-400%		0%		0%							
23			401%+	473	4%		4%	1%	0.684	\$ 301	0.684	\$ 314	4.1%	
24	Subtotal:			945	7%	328	5%	-2%	0.691	\$ 301	0.691	\$ 314	4.1%	
25														
26	BlueChoice Silver \$2,000	APTC & CSR	100-150%	217	2%		0%	-2%	0.932	\$ 249	0.932	\$ 280	12.5%	
27		APTC & CSR	151%-200%	242	2%		0%	-2%	0.878	\$ 249	0.877	\$ 280	12.5%	
28		APTC & CSR	201-250%	216	2%	40	1%	-1%	0.726	\$ 249	0.728	\$ 280	12.5%	
29		APTC	251-400%		0%		0%							
30			401%+	675	5%		4%	-1%	0.688	\$ 249	0.690	\$ 280	12.5%	
31	Subtotal:			1,350	10%	305	5%	-5%	0.693	\$ 249	0.695	\$ 280	12.5%	
32														
33	BlueChoice Plus Silver \$2,500	APTC & CSR	100-150%	152	1%		0%	-1%	0.937	\$ 266	0.937	\$ 279	4.6%	
34		APTC & CSR	151%-200%	169	1%		0%	-1%	0.878	\$ 266	0.879	\$ 279	4.6%	
35		APTC & CSR	201-250%	151	1%	21	0%	-1%	0.739	\$ 266	0.739	\$ 279	4.6%	
36		APTC	251-400%		0%		0%							
37			401%+	473	4%	137	2%	-1%	0.701	\$ 266	0.702	\$ 279	4.6%	
38	Subtotal:			945	7%	157	2%	-5%	0.706	\$ 266	0.707	\$ 279	4.6%	
39														
40	Gold Plans													
41	BlueChoice Gold \$0			810	6%	265	4%	-2%	0.793	\$ 333	0.793	\$ 343	2.8%	
42	BluePreferred Gold \$500			405	3%	352	5%	2%	0.783	\$ 376	0.783	\$ 425	13.3%	
43	BlueChoice Gold \$1,000			203	2%	462	7%	5%	0.783	\$ 284	0.783	\$ 333	17.3%	
44	HealthyBlue Gold \$1,500			608	5%	294	4%	0%	0.820	\$ 335	0.820	\$ 372	11.0%	
45	Subtotal:			2,025	15%	1,373	21%	6%	0.793	\$ 328	0.793	\$ 367	11.9%	
46														
47	Platinum Plans													
48	HealthyBlue Platinum \$0			473	4%	1,045	16%	12%	0.900	\$ 380	0.898	\$ 454	19.3%	
49	BluePreferred Platinum \$0			203	2%	508	8%	6%	0.882	\$ 469	0.882	\$ 541	15.3%	
50	Subtotal:			675	5%	1,554	23%	18%	0.894	\$ 409	0.893	\$ 482	17.8%	
51	TOTAL:			13,500	100%	6,631	100%	0%		\$ 281		\$ 317	13.0%	
52				100%	100%	100%	100%							
53														
54	BlueChoice			10,766	80%	5,132	77%	-2%	0.732	\$ 257	0.731	\$ 291	13.4%	
55	GHMSI			2,734	20%	1,499	23%	2%	0.761	\$ 363	0.761	\$ 406	12.1%	
56	Subtotal:			13,500	100%	6,631	100%	0%	0.738	\$ 281	0.738	\$ 317	13.0%	
57														
58	PPO/HMO Ratio:									1.41		1.39		
59	LOW RENEWAL (Minimum):													2.8%
60	HIGH RENEWAL (Maximum):													24.1%

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Morbidity Impact on Small Group/Individual HMO/PPO combined**

The current combined Individual/Small Group non-Grandfathered pool is expected to increase from approximately 72,700 members today to approximately 94,000 members in 2015. This 21,300 member increase is expected to come from an influx of the following new entrants:

- a) Prior IND64- grandfathered members (Underwritten, HIPAA, Group Conversion, Open Enrollment) - ~1,100 members
- b) Former large group enrollees - ~2,000 members
- c) Former small group enrollees - ~500 members
- d) Newly insured entrants who were formerly uninsured - ~3,000 members
- e) Congress - ~10,100 members
- f) Competitors - ~4,600 members

The estimated average morbidity of these 21,300 new entrants is approximately 0.99 compared to the current Small Group/Individual merged pool and when blended with the 1.00 morbidity of the current pool, yields a resultant 2015 morbidity of 1.00 in relation to the current non-Grandfathered pool.

Group Hospitalization & Medical Services, Inc. (GHMSI)  
D.C. Individual & Small Group Products - Rate Filing Effective 1/1/2014  
GHMSI D.C. Individual Non-Medigap & Small Group Allowed PMPM Projection (Includes EHB and Non-EHB Claims) - Non-Grandfathered Business Only - 1/1/2015 (MERGED)

	Begin	End	Mid-point	Months of Trend	
Experience Period	1/1/2013	12/31/2013	7/1/2013		
Rating Period	1/1/2015	12/31/2015	7/1/2015	24.0	pd through 3/31/2014
Experience Period Summary	Total				
Experience Period Premiums	\$	192,950,934			
MLR Rebates	\$	-			
Net Experience Period Premiums	\$	192,950,934			
Experience Period Paid Claims (Non-Capitated)	\$	169,370,060			
Completion Factor		0.99			
Experience Period Incurred Claims (Non-Capitated)	\$	170,971,028			
Capitations	\$	589,848			
Rx Rebates	\$	(2,928,482)			
Other Manual Claims	\$	-			
Total Experience Period Claims	\$	168,632,395			
Experience Period Loss Ratio (Before MLR Rebates)		87.40%			
Experience Period Loss Ratio (After MLR Rebates)		87.40%			
Experience Period Loss Ratio (System Claims Only)		88.61%			
Experience Period Member Months		462,200			
Average Members		38,517			
End of Experience Period Contracts		21,905			
End of Experience Period Members		39,428			
Experience Period Allowed Claims (Non-Capitated)	\$	193,237,257			
Adjustments	\$	(2,338,633)			
Total Adjusted EP Allowed Claims	\$	190,898,624			
EP Paid / Allowed Ratio		88.3%			

Service Category Level Projection

Service Category Experience Period Allowed	Utilization Measure	EP Units	EP Allowed \$	Other	Rx Rebates	Net Allowed
Inpatient	Admits	2,098	\$ 32,308,552	\$ -	\$ -	\$ 32,308,552
Outpatient	Visits	32,289	\$ 38,455,250	\$ -	\$ -	\$ 38,455,250
Professional	Visits	402,542	\$ 63,889,209	\$ -	\$ -	\$ 63,889,209
Other	Services	35,103	\$ 9,933,413	\$ -	\$ -	\$ 9,933,413
Rx	Scripts	358,444	\$ 48,650,833	\$ -	\$ (2,928,482)	\$ 45,722,351
Capitation	Average Members	38,517	\$ 589,848	\$ -	\$ -	\$ 589,848
Total			\$ 193,827,106	\$ -	\$ (2,928,482)	\$ 190,898,624
PMPM			\$ 419.36	\$ -	\$ (6.34)	\$ 413.02

Annual Trend Inputs	
Cost Trend	Utilization Trend
5.0%	0.0%
8.0%	2.0%
2.5%	2.5%
10.0%	6.0%
7.5%	-1.5%
2.0%	0.0%

Service Category Experience Period Allowed	Utilization Measure	Experience Period			Projection Factors			Cost Factor	Utilization Factor	Total Factor	Projected			Effective Allowed PMPM
		Util / 1000	Unit Cost	PMPM	Population Risk / Morbidity*	Other					Util / 1000	Unit Cost	PMPM	
Inpatient	Admits	54.47	\$ 15,400.57	\$ 69.90	1.00	0.989		1.103	1.000	1.09	54.47	\$ 16,797.41	\$ 76.24	5.0%
Outpatient	Visits	838.30	\$ 1,190.99	\$ 83.20	1.00	0.989		1.166	1.040	1.20	872.17	\$ 1,374.30	\$ 99.89	10.2%
Professional	Visits	10,451.10	\$ 158.71	\$ 138.23	1.00	1.024		1.051	1.051	1.13	10,980.19	\$ 170.71	\$ 156.21	5.1%
Other	Services	911.38	\$ 282.98	\$ 21.49	1.00	1.168		1.210	1.124	1.59	1,024.02	\$ 400.05	\$ 34.14	16.6%
Rx	Scripts	9,306.21	\$ 127.56	\$ 98.92	1.00	0.956		1.156	0.970	1.07	9,029.11	\$ 140.94	\$ 106.04	5.9%
Capitation	Benefit Period	1,000.00	\$ 15.31	\$ 1.28	1.00	0.984		1.040	1.000	1.02	1,000.00	\$ 15.68	\$ 1.31	2.0%
Total				\$ 413.02										
Projected Allowed Claims PMPM (EHB + Non-EHB)													\$ 473.82	7.0%
Non-EHB Claims in Projected PMPM**													\$ 1.13	
Index Rate for EHB													\$ 472.69	

\* Please refer to page 61 for more information.

\*\* Includes abortion, hair prosthesis, and morbid obesity claims, and capitation for core vision benefit.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**GHMSI Trend Support - Combined**

		<b>Experience Period Actual Trend</b>		<b>Projection Period Trend</b>		<b>Difference Exp vs. Proj trend</b>	
		<b>Average rolling - 12 Month Trend</b>		<b>Average rolling - 12 Month Trend</b>			
	<b>Total Allowed</b>	<b>Unit Cost</b>	<b>Utilization</b>	<b>Unit Cost</b>	<b>Utilization</b>	<b>Unit Cost</b>	<b>Utilization</b>
<b>Inpatient</b>	<b>\$ 32,308,552</b>	3.5%	-1.3%	5.0%	0.0%	1.5%	1.3%
<b>Outpatient</b>	<b>\$ 38,455,250</b>	8.1%	0.1%	8.0%	2.0%	-0.1%	1.9%
<b>Professional</b>	<b>\$ 63,889,209</b>	2.3%	0.5%	2.5%	2.5%	0.2%	2.0%
<b>Other</b>	<b>\$ 9,933,413</b>	8.0%	5.3%	10.0%	6.0%	2.0%	0.7%
<b>Rx</b>	<b>\$ 48,650,833</b>	6.7%	-1.4%	7.5%	-1.5%	0.8%	-0.1%
<b>Total</b>	<b>\$ 193,237,257</b>	<b>5.1%</b>	<b>-0.1%</b>	<b>5.7%</b>	<b>1.2%</b>	<b>0.6%</b>	<b>1.3%</b>
<b>Total Trend (Cost &amp; Utilization combined)</b>			<b>5.0%</b>		<b>7.0%</b>		<b>1.9%</b>

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Reinsurance Estimate**

**BC Benefit Factor Modeling**

**Base 2013 MSGR CPD**

PMPM	\$	280.88
	\$	<b>280.88</b>
99.92%	\$	<b>3,370.57</b>

Frequency	Total Paid
No Claims	18.56% \$ -
\$ 0 - \$ 49	3.50% \$ 19.65
\$ 50 - \$ 99	3.29% \$ 78.28
\$ 100 - \$ 149	3.86% \$ 124.83
\$ 150 - \$ 199	3.27% \$ 174.47
\$ 200 - \$ 249	2.85% \$ 225.38
\$ 24,000 - \$ 24,999	0.13% \$ 24,578.29
\$ 25,000 - \$ 29,999	0.49% \$ 27,509.24
\$ 30,000 - \$ 34,999	0.35% \$ 32,446.11
\$ 35,000 - \$ 39,999	0.27% \$ 37,474.94
\$ 40,000 - \$ 44,999	0.19% \$ 42,497.79
\$ 45,000 - \$ 49,999	0.15% \$ 47,627.49
\$ 50,000 - \$ 54,999	0.12% \$ 52,595.92
\$ 55,000 - \$ 59,999	0.10% \$ 57,587.06
\$ 60,000 - \$ 64,999	0.08% \$ 62,670.17
\$ 65,000 - \$ 69,999	0.06% \$ 67,656.07
\$ 70,000 - \$ 74,999	0.05% \$ 72,784.83
\$ 75,000 - \$ 79,999	0.04% \$ 77,675.06
\$ 80,000 - \$ 84,999	0.04% \$ 82,894.46
\$ 85,000 - \$ 89,999	0.03% \$ 87,825.27
\$ 90,000 - \$ 94,999	0.03% \$ 92,957.06
\$ 95,000 - \$ 99,999	0.03% \$ 97,721.12
\$100,000 - \$104,999	0.02% \$ 103,261.63
\$105,000 - \$109,999	0.02% \$ 107,835.25
\$110,000 - \$114,999	0.02% \$ 113,176.34
\$115,000 - \$119,999	0.01% \$ 117,663.98
\$120,000 - \$124,999	0.02% \$ 123,001.76
\$125,000 - \$129,999	0.01% \$ 127,981.00
\$130,000 - \$134,999	0.01% \$ 133,624.21
\$135,000 - \$139,999	0.01% \$ 137,757.12
\$140,000 - \$144,999	0.01% \$ 142,633.69
\$145,000 - \$149,999	0.01% \$ 147,890.87
\$150,000 - \$154,999	0.01% \$ 153,070.20
\$155,000 - \$159,999	0.01% \$ 157,927.92
\$160,000 - \$164,999	0.01% \$ 163,808.96
\$165,000 - \$169,999	0.01% \$ 167,769.12
\$170,000 - \$174,999	0.01% \$ 172,068.51
\$175,000 - \$179,999	0.00% \$ 178,392.63
\$180,000 - \$184,999	0.00% \$ 184,483.77
\$185,000 - \$189,999	0.00% \$ 189,160.14
\$190,000 - \$194,999	0.00% \$ 192,795.68
\$195,000 - \$199,999	0.00% \$ 197,706.50
\$200,000 - \$204,999	0.00% \$ 202,424.91
\$205,000 - \$209,999	0.00% \$ 209,467.86
\$210,000 - \$214,999	0.00% \$ 214,030.78
\$215,000 - \$219,999	0.00% \$ 220,014.30
\$220,000 - \$224,999	0.00% \$ 223,270.38
\$225,000 - \$229,999	0.00% \$ 230,287.35
\$230,000 - \$234,999	0.00% \$ 233,979.65
\$235,000 - \$239,999	0.00% \$ 241,934.50
\$240,000 - \$244,999	0.00% \$ 245,076.41
\$245,000 - \$249,999	0.00% \$ 244,035.39
\$250,000 - \$254,999	0.00% \$ 254,077.38
\$255,000 - \$259,999	0.00% \$ 258,268.42
\$260,000 - \$264,999	0.00% \$ 263,897.19
\$265,000 - \$269,999	0.00% \$ 268,043.00
\$270,000 - \$274,999	0.00% \$ 275,786.33
\$275,000 - \$279,999	0.00% \$ 277,849.94
\$280,000 - \$284,999	0.00% \$ 283,203.22
\$285,000 - \$289,999	0.00% \$ 287,482.62
\$290,000 - \$294,999	0.00% \$ 293,362.02
\$295,000 - \$299,999	0.00% \$ 298,293.04
\$300,000 - \$9,999,999	0.03% \$ 460,496.96

**Projected 2015 Total CPD**

Proj PMPM	\$	<b>352.52</b>	From DICR tabs
Calc PMPM	\$	<b>396.12</b>	Computed from assume reins

Frequency	Total Paid	Reinsured
100.00%	\$	<b>4,753.46</b>
23.67%	\$ -	\$ -
3.15%	\$ 20.14	\$ -
2.96%	\$ 80.24	\$ -
3.48%	\$ 127.95	\$ -
2.95%	\$ 178.83	\$ -
2.56%	\$ 231.01	\$ -
0.24%	\$ 25,192.75	\$ -
0.94%	\$ 28,196.98	\$ -
0.68%	\$ 33,257.27	\$ -
0.52%	\$ 38,411.81	\$ -
0.37%	\$ 43,560.23	\$ -
0.28%	\$ 48,818.17	\$ -
0.23%	\$ 53,910.82	\$ -
0.19%	\$ 59,026.74	\$ -
0.16%	\$ 64,236.93	\$ -
0.12%	\$ 69,347.47	\$ -
0.10%	\$ 74,604.45	\$ 2,302.23
0.08%	\$ 79,616.93	\$ 4,808.47
0.07%	\$ 84,966.82	\$ 7,483.41
0.06%	\$ 90,020.90	\$ 10,010.45
0.06%	\$ 95,280.98	\$ 12,640.49
0.05%	\$ 100,164.14	\$ 15,082.07
0.04%	\$ 105,843.17	\$ 17,921.59
0.04%	\$ 110,531.13	\$ 20,265.57
0.04%	\$ 116,005.75	\$ 23,002.88
0.03%	\$ 120,605.58	\$ 25,302.79
0.03%	\$ 126,076.80	\$ 28,038.40
0.03%	\$ 131,180.53	\$ 30,590.26
0.02%	\$ 136,964.82	\$ 33,482.41
0.02%	\$ 141,201.05	\$ 35,600.53
0.02%	\$ 146,199.53	\$ 38,099.77
0.02%	\$ 151,588.14	\$ 40,794.07
0.01%	\$ 156,896.96	\$ 43,448.48
0.02%	\$ 161,876.12	\$ 45,938.06
0.02%	\$ 167,904.18	\$ 48,952.09
0.01%	\$ 171,963.34	\$ 50,981.67
0.01%	\$ 176,370.22	\$ 53,185.11
0.01%	\$ 182,852.45	\$ 56,426.22
0.01%	\$ 189,095.87	\$ 59,547.93
0.01%	\$ 193,889.14	\$ 61,944.57
0.00%	\$ 197,615.57	\$ 63,807.79
0.01%	\$ 202,649.16	\$ 66,324.58
0.01%	\$ 207,485.54	\$ 68,742.77
0.01%	\$ 214,704.56	\$ 72,352.28
0.00%	\$ 219,381.55	\$ 74,690.77
0.01%	\$ 225,514.65	\$ 77,757.33
0.01%	\$ 228,852.14	\$ 79,426.07
0.00%	\$ 236,044.54	\$ 83,022.27
0.00%	\$ 239,829.15	\$ 84,914.57
0.00%	\$ 247,982.86	\$ 88,991.43
0.00%	\$ 251,203.32	\$ 90,000.00
0.00%	\$ 250,136.27	\$ 90,000.00
0.00%	\$ 260,429.31	\$ 90,000.00
0.00%	\$ 264,725.13	\$ 90,000.00
0.00%	\$ 270,494.61	\$ 90,000.00
0.00%	\$ 274,744.08	\$ 90,000.00
0.00%	\$ 282,680.98	\$ 90,000.00
0.00%	\$ 284,796.18	\$ 90,000.00
0.00%	\$ 290,283.30	\$ 90,000.00
0.00%	\$ 294,669.68	\$ 90,000.00
0.00%	\$ 300,696.07	\$ 90,000.00
0.00%	\$ 305,750.37	\$ 90,000.00
0.06%	\$ 472,009.38	\$ 90,000.00

Reinsurance Recoveries	\$	<b>23.57</b>	% Claims (DICR)
Less Reinsurance fee		<b>(\$3.78)</b>	
Net Reinsurance for Plan Derivation Tab	\$	19.79	5.6%



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2015**  
**Single Risk Pool Desired Incurred Claims Ratio (DICR) and Average Pool Renewal**

Projected Allowed Claims PMPM (EHB and NonEHB)	Total \$	474.76
Projected Paid / Allowed Ratio		<b>74.6%</b>
Reinsurance Factor		94.4%

		PMPM %	
Projected Paid Claims (+ Capitations)	\$	334.18	75.1%
Admin Costs	\$	56.00	12.6%
Patient Outcome Tax	\$	0.18	0.0%
Reinsurance			
Risk Adjustment User Fees	\$	0.08	0.0%
Broker Commissions & Fees	\$	14.06	3.2%
Contrib to Reserve	\$	-	0.0%
Invst Income Credit	\$	(0.00)	0.0%
Premium Taxes/Community Health Investment	\$	8.90	2.0%
Assessment Fees	\$	0.19	0.0%
Federal Income Tax	\$	-	0.0%
State Income Tax	\$	-	0.0%
Incentive Program	\$	10.75	2.4%
Exchange Fee (2015)	\$	4.45	1.0%
General Insurer Tax	\$	11.68	2.6%
Exchange Fee (2014)	\$	4.45	1.0%
<b>Total</b>	<b>\$</b>	<b>444.93</b>	<b>100.0%</b>

i = incurred Claims	\$	354.06
q = quality improvemen (net after MLR reclass from care)	\$	1.91
p = earned premiums	\$	444.54
t = state and federal taxes	\$	25.27
f = licensing and regulatory fee including reinsurance	\$	3.86
n = risk corridor/risk adjustment payments	\$	-
r = risk corridor/risk adjustment receipts	\$	-
s - Reinsurance receipts	\$	23.57
c = credibility adjustment		0%

Numerator	\$	332.40
Denominator (same as p - t - f)	\$	415.41
Adjusted MLR		<b>80.02%</b>

**QI adjustment:**

2013 Care data	\$	28,231,727
Care data removed from claims for MLR purposes	\$	(652,112)
Quality Improvement Expenses	\$	804,676
Net QI adjustment	\$	152,564
QI Adjustment as % of care		<b>0.54%</b>

$$MLR = \frac{[(i + q - s + n - r)]}{[(p + s - n + r) - t - f - (s - n + r)]} + c$$

Denominator simplifies to: p-t-f

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**IND64- DC GHMSI PLAN LEVEL DERIVATIONS**

	1	2	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	24	25
		ON-Exchange 2015 Projected EMMs	TOTAL 2015 Projected EMMs		PROJ INDEX RATE (Ave ALW EHB)	Market-Level Adjustments (MLA)				Mkt-Adj INDEX RATE (Post- MLA)	Plan-Level Adjustments (PLA)						Plan-Adj INDEX RATE (Plan- Level)	Pricing AV (vs Plat)	HHS AV	Normalization/Calibration Allowable Rating Factors			Consumer Adjusted PREMIUM RATES
		Benefit Plan		%		Reins.	Risk Adj	Exch User Fees	Cumul.		Cost Share	Network & UM	Non- EHB	Catas	("HB5") Distrib & Admin	Cumul.				Age	Geo	Cumul.	1Q15
1																							
2																							
3	BluePreferred HSA Bronze \$3,500	11,563	11,563	21%	\$473	0.944	1.000	1.000	0.944	\$446	0.481	1.000	1.004	1.000	1.331	0.644	\$287	48.5%	61.2%	0.914	1.000	0.914	\$263
4	Subtotal:	11,563	11,563	21%	\$473	0.944	1.000	1.000	0.944	\$446	0.481	1.000	1.004	1.000	1.331	0.644	\$287	48.5%	61.2%	0.914	1.000	0.914	\$263
5																							
6																							
7	BluePreferred HSA Silver \$1,500	12,193	12,193	22%	\$473	0.944	1.000	1.000	0.944	\$446	0.576	1.000	1.002	1.000	1.331	0.769	\$343	58.0%	68.4%	0.914	1.000	0.914	\$314
8	Subtotal:	12,193	12,193	22%	\$473	0.944	1.000	1.000	0.944	\$446	0.576	1.000	1.002	1.000	1.331	0.769	\$343	58.0%	68.4%	0.914	1.000	0.914	\$314
9																							
10																							
11	BluePreferred Gold \$500	13,093	13,093	23%	\$473	0.944	1.000	1.000	0.944	\$446	0.782	1.000	1.002	1.000	1.331	1.043	\$465	78.7%	78.3%	0.914	1.000	0.914	\$425
12	Subtotal:	13,093	13,093	23%	\$473	0.944	1.000	1.000	0.944	\$446	0.782	1.000	1.002	1.000	1.331	1.043	\$465	78.7%	78.3%	0.914	1.000	0.914	\$425
13																							
14																							
15	BluePreferred Platinum \$0	18,897	18,897	34%	\$473	0.944	1.000	1.000	0.944	\$446	0.992	1.000	1.004	1.000	1.331	1.326	\$592	100.0%	88.2%	0.914	1.000	0.914	\$541
16	Subtotal:	18,897	18,897	34%	\$473	0.944	1.000	1.000	0.944	\$446	0.992	1.000	1.004	1.000	1.331	1.326	\$592	100.0%	88.2%	0.914	1.000	0.914	\$541
17	TOTAL:	55,746	55,746	100%	\$473	0.944	1.000	1.000	0.944	\$446	0.746	1.000	1.003	1.000	1.331	0.996	\$445	75.1%	75.9%	0.914	1.000	0.914	\$406
18	Average:	4,646	4,646													75.1%							

Cost-Share Factor = Internal/Carrier-Specific Pricing AV, H.S.A./Non-H.S.A., Benefit Generosity/Induced Demand.  
Catastrophic Factor = Adjusting rate downwards for inaccuracy of compressed CMS "3:1" curve versus internal ratio of "4.5:1."  
Network = HMO Open Access and PPO/RPN.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Calculation of Other Projection Factors**

Ind<65	Projection Factor									
Service Category	Pediatric Dental	Demographics	Pharmacy Benefit Manager Change	Autism Benefit	Mandatory Generics	Sovaldi	Incentive Program	Vision	Early Renewals	Total Other Projection Factor
Inpatient	1.000	1.003	1.000	1.000	1.000	1.000	0.978	1.000	1.000	0.981
Outpatient	1.000	1.003	1.000	1.000	1.000	1.000	0.978	1.000	1.000	0.981
Professional	1.000	1.003	1.000	1.021	1.000	1.000	0.978	1.000	1.000	1.001
Other	1.181	1.003	1.000	1.000	1.000	1.000	0.978	1.000	1.000	1.158
Rx	1.000	1.003	0.924	1.000	1.004	1.042	0.978	1.000	1.000	0.948
Capitation	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.984	1.000	0.984

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Small Group On & Off Exchange Products Rates Effective 1/1/2015**  
**Calculation of Other Projection Factors**

Small Group	Projection Factor										
Service Category	Pediatric		Pharmacy Benefit		Autism	Mandatory		Incentive		Early	Total Other
	Dental	Demographics	Manager Change	Benefit	Generics	Sovaldi	Program	Vision	Renewals	Projection Factor	
Inpatient	1.000	1.003	1.000	1.000	1.000	1.000	0.970	1.000	1.017	0.990	
Outpatient	1.000	1.003	1.000	1.000	1.000	1.000	0.970	1.000	1.017	0.990	
Professional	1.000	1.003	1.000	1.036	1.000	1.000	0.970	1.000	1.017	1.025	
Other	1.181	1.003	1.000	1.000	1.000	1.000	0.970	1.000	1.017	1.169	
Rx	1.000	1.003	0.924	1.000	1.004	1.042	0.970	1.000	1.017	0.957	
Capitation	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.984	1.000	0.984	

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Combined On & Off Exchange Products Rates Effective 1/1/2015**  
**Calculation of Other Projection Factors**

Combined	Projection Factor										
Service Category	Pediatric Dental	Demographics	Pharmacy Benefit Manager Change	Autism Benefit	Mandatory Generics	Sovaldi	Incentive Program	Vision	Early Renewals	Total Other Projection Factor	
Inpatient	1.000	1.003	1.000	1.000	1.000	1.000	0.970	1.000	1.017	0.989	
Outpatient	1.000	1.003	1.000	1.000	1.000	1.000	0.970	1.000	1.017	0.989	
Professional	1.000	1.003	1.000	1.035	1.000	1.000	0.970	1.000	1.017	1.024	
Other	1.181	1.003	1.000	1.000	1.000	1.000	0.970	1.000	1.017	1.168	
Rx	1.000	1.003	0.924	1.000	1.004	1.042	0.970	1.000	1.017	0.956	
Capitation	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.984	1.000	0.984	

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**

**Support for "Other" adjustment factors**

**Early Renewal Factor Derivation**

	Allowed Claims	Item	Calculation
	PMPM		
<b>Early Renewal (Small Group Only, BC &amp; GHMSI combined)</b>			
Experience Period Total Allowed PMPM of Early renewing cohort	\$ 397.23	(1)	
Experience Period Total Allowed PMPM of Non-Early renewing cohort	\$ 419.26	(2)	
Combined Experience Period Total Allowed PMPM	\$ 412.06	(3)	
<b>Early Renewal Adjustment Factor (Small Group Only)</b>	<b>1.7%</b>		(4) = (2) / (3) - 1
<b>Early Renewal Adjustment Factor (Blended Across Single Risk Pool)</b>	<b>1.7%</b>		

**Rx Discount Factor Derivation (Based on CFI Total Book of Business Data)**

Grand Total New Allowed	\$ 1,154,386,773	(1)	
Grand Total Old Allowed	\$ 1,249,560,894	(2)	
\$ Difference	\$ (95,174,121)	(3)	
<b>% Difference</b>	<b>-7.6%</b>		(4) = (3)/(2)

**Mandatory Generic Factor Derivation (Based on CFI Total Book of Business Data)**

Total \$ Impact Due to expansion of list of Mandatory Generic Drugs	\$ 4,594,160	(1)	
Total 2013 Drug Claims	\$ 1,249,560,894	(2)	
<b>% Increase in Paid Drug \$</b>	<b>0.4%</b>		(3) = (1)/(2)

**Sovaldi Factor Derivation**

% Impact to total experience period allowed PMPM	1.0%	(1)	
Experience Period Allowed Rx PMPM	\$ 98.92	(2)	
Total Experience Period Allowed PMPM	\$ 413.02	(3)	
\$ Amount of Sovaldi Drug	\$ 4.13	(4) = (1) * (3)	
<b>Sovaldi Impact to Rx Only</b>	<b>4.2%</b>		(5) = (4) / (2)

**Changes in treatment of ABA services - Impact (to Ind64- Professional only)**

<b>Ind64-</b>			
\$ Impact to Experience Period Allowed PMPM	\$ 1.74	(1)	
Experience Period Allowed PMPM for Professional Services	\$ 84.51	(2)	
<b>Changes in treatment of ABA services - Impact (to Ind64- Professional only)</b>	<b>2.1%</b>		(3) = (1)/(2)

**Small Group**

\$ Impact to Experience Period Allowed PMPM	\$ 5.15	(4)	
Experience Period Allowed PMPM for Professional Services	\$ 144.41	(5)	
<b>Changes in treatment of ABA services - Impact (to Small Group Professional only)</b>	<b>3.6%</b>		(6) = (4)/(5)

<b>Changes in treatment of ABA services - Impact to Professional only (Blended Across Single Risk Pool)</b>	<b>3.5%</b>
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**Demographic Factor Derivation**

<b>Demographic Impact (Blended Across Single Risk Pool)</b>	<b>0.3%</b>
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Note: Blended adjustments are an average of Ind64- and Small Group adjustments, weighted by claims.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Derivation of Embedded Pediatric Dental Rate**  
**Projection Period: 1/1/2015 - 12/31/2015**

#	Formula	Description	%	PMPM
1		Base D.C. Dental Allowed PMPM For Members Age 19 and Under Classes 1 - 4		\$ 16.32
2		Adjustment to D.C. Benchmark Plan (D.C. FEDVIP)	-1.15%	
3	<b>(3) = (1)*(1+(2))</b>	Adjusted Allowed PMPM Classes 1 - 4		\$ 16.13
4		Base D.C. Dental Allowed PMPM For Members Age 19 and Under Class 5 (Ortho)		\$ 3.44
5		Adjustment to D.C. Benchmark Plan	-40%	
6	<b>(6) = (4)*(1+(5))</b>	Adjusted Allowed PMPM Class 5 (Ortho)		\$ 2.06
7		<b>Estimated Base Period Allowed PMPM Adjusted to D.C. Benchmark</b>		<b>\$ 18.19</b>
8		Completion Factor (Incurred 12, Paid 14)		<b>0.980</b>
9	<b>(9) = (7)/(8)</b>	<b>Ultimate Base Period Allowed PMPM Adjusted to D.C. Benchmark</b>		<b>\$ 18.56</b>
10		Assumed Annual Trend	<b>5.0%</b>	
11		Assumed Trend Factor for 24 months	1.103	
12	<b>(12) = (9)*(11)</b>	Projected Allowed Pediatric PMPM		\$ 20.46
13		Adjustment to Dental PPO Fee Schedule	0.879	
14	<b>(14) = (12)*(13)</b>	Projected Allowed Pediatric PMPM Based On PPO Fee Schedule		\$ 17.98
15		Adjustment for Planned 1/1/2014 Fee Schedule Increase	1.00	
16	<b>(16) = (14)*(15)</b>	Projected Allowed Pediatric PMPM Adjusted for Fee Schedule Changes		\$ 17.98
17		% of D.C. Small Group & Individual, Non-Medigap Market Age 19 and Under	<b>21.6%</b>	
18	<b>(18) = (16)*(17)</b>	Projected Allowed Pediatric Dental PMPM Spread Over Single Risk Pool		\$ 3.89
19		Base Period Other Medical PMPM		\$ 21.49
20		<b>Projection Factor Entered To Adjust Other Medical Category</b>		<b>1.181</b>
21		<b>Impact on Total Medical and Rx Base Period PMPM</b>		<b>1.009</b>

**Notes:**

- Row 1** Allowed PMPM for experience period of 01/2013 - 12/2013, pd through 03/2014 for Classes 1- 4
- Row 2** Adjustment factor to account for coverage differences between current plans and DC Benchmark plan for Classes 1 - 4
- Row 4** Allowed PMPM for experience period of 01/2013 - 12/2013, pd through 03/2014 for Class 5 (Ortho)
- Row 5** Adjustment factor to account for coverage differences between current plans and DC Benchmark plan for Class 5 (Ortho), as provided by CareFirst's Dental Network Director.
- Row 11** Projected through 12/31/2015 base on current understanding that all CD exchange member's rates will change on renewal.

	Begin	End	Mid-point	Months of Trend
Experience period	1/1/2013	12/31/2013	7/1/2013	
Rating Period	1/1/2015	12/31/2015	7/1/2015	24.0

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Vision Embedded in Medical Plan**  
**Projection Period: 1/1/2014 - 3/31/2015**

**Derivation of Embedded Pediatric Vision Rate**

Small Group Embedded PMPM (Davis Vision Capitation)	\$ 1.25
% of D.C. Small Group Market Age 19 and Under	22.6%
Pediatric Vision PMPM Spread Small Group Market	\$ 0.28
Individual, non-Medigap Embedded PMPM (Davis Vision Capitation)	\$ 1.77
% of D.C. Individual, non-Medigap Market Age 19 and Under	7.7%
Pediatric Vision PMPM Spread Over Individual Market	\$ 0.14
<b>Blended EHB Pediatric Vision PMPM Spread Over Entire Single Risk Pool</b>	<b>\$ 0.27</b>

**Derivation of Embedded Adult Vision Rate (Non-EHB, Individual Market Only)**

Individual, non-Medigap Embedded PMPM (Davis Vision Capitation)	\$ 1.16
% of D.C. Individual, non-Medigap Market Over Age 19	92.3%
Embedded Adult Vision PMPM Spread Over Individual Market	\$ 1.07
<b>Blended Non-EHB Adult Vision PMPM Spread Over Entire Single Risk Pool</b>	<b>\$ 0.11</b>

**Derivation of Projection Factor**

<b>Total Embedded Vision PMPM</b>	<b>\$ 0.38</b>
Experience Period Core Vision Capitation PMPM	\$ 0.40
<b>\$ Change from Experience to Projection Period PMPM</b>	<b>\$ (0.02)</b>
Total Experience Period Capitation PMPM	\$ 1.28
<b>Projection Factor to Adjust Capitation Category</b>	<b>0.984</b>

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**

Autism Cost Model

Average Cost:

Assume treatment cost per hour for intensive ABA therapy	\$46
Assume treatment cost per hour for other non-intensive therapy	\$97

Children 2-5:  
 Children 6-7:  
 Children 8-12:  
 Children 13-21:

ABA Therapy hrs/wk	Other Therapy hrs/wk	Hrs/Yr Therapy	Cost Per Year Therapy
40	0	2080	94,826
15	5	1040	60,894
0	10	520	50,668
0	8	416	40,534

Utilization:

Assume 1 in every 68 children age 1-21 have Autism or Asperger's. Assume 1 in 3 seek ABA treatment

0.49%

children age 2-5 as a % of total population	===>	1.8%
children age 6 as a % of total population	===>	0.4%
children age 7 as % total population		0.3%
children age 8 as % total population		0.5%
children age 9-12 as a % of total population	===>	1.7%
children age 13-21 as a % of total population	===>	2.7%

Cost PMPM:

	Ind64-	Small Group
children 2-5:	\$ 0.68	\$ 1.88
Children age 6	\$ 0.10	\$ 0.31
Children age 7	\$ 0.07	\$ 0.30
Children age 8	\$ 0.10	\$ 0.25
children 9-12:	\$ 0.34	\$ 0.92
children 13-21:	\$ 0.45	\$ 1.49
total	\$ 1.74	\$ 5.15

	Ind64-	Small Group	Blended
Adjustment	2.1%	3.6%	3.5%

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Documentation for Sovaldi Estimated Cost for 2015 Exchange Filings**

	US Population	320 Million
A	Number of chronic hepatitis C persons in US (source: CDC)	3.2 Million
	Cost per 90-day script of Sovaldi	\$84,000
	However, Sovaldi has to be taken with ribavirin and interferon. Cost of 90day supply of both	<u>\$10,000</u>
B	Total cost per 90-day regimen (Sovaldi + ribavirin + interferon)	\$94,000
C=A*B	Total maximum market potential for 90-day regimen (\$ Billion)	\$300 Billion
D	First quarter Sovaldi sales (Gilead Sciences 1Q14 earnings report)	\$2.27 Billion
E=D*4	Annualized 2014 Sovaldi sales assuming flat growth in Q2-Q4 {lower bound}	\$9 Billion
F=(94/84)*E	Annualized cost of regimen	\$10 Billion
	<u>Breakdown of US Population by payor mix (Million)</u>	
	Commercial	147
	Medicare	51
G	Medicaid	61
	Tricare/Other Insured	10
	Uninsured	<u>47</u>
	<b>US Total Population (2013)</b>	316
	<u>Number of Commercial Equivalent Membership Units (Million)</u>	
	Commercial	147
	Medicare	50
H=G*.75	Medicaid (pays 25% lower costs on brand name drugs than Medicare)	41
	Tricare	<u>10</u>
I	<b>Total Commercial Equivalent Membership Units</b>	248
J=F/I	Cost per commercial equivalent member per year	\$40
K	CFI Risk average allowed claim cost per year	\$4,062
L	Sovaldi regimen costs as % of allowed claims	1.0%
		(lower bound)
	<u>Upper bound of Sovaldi regimen exposure</u>	
M	Estimated persons in Maryland infected with Hepatitis C (DHMH 2012 report)	100,000
N	CareFirst Maryland membership as % of state population	33%
B	Total cost per 90-day regimen (Sovaldi + ribavirin + interferon)	\$94,000
P	Upper bound of CareFirst Sovaldi exposure (\$ Million)	\$3,102
Q	Estimated CareFirst allowed claims in Maryland (\$ Million)	\$7,700
R	Sovaldi regimen costs as % of allowed claims	40%
		upper bound



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**D.C. Small Group Products - On Exchange Rate Filing Effective 1/1/2015**  
**Estimate of Non-EHB Claims - Individual, non-Medigap & Small Group Markets Combined**

**Abortion Coverage (Applies to Individual, Non-Medigap & Small Group Markets)**

Total - Abortion Related	Allowed Amount	2013 Member Months	Exp Period PMPM
GHMSI	\$520,156	599,428	\$0.87

**Projected PMPM**

1Q15	\$1.02
2Q15	\$1.04
3Q15	\$1.06
4Q15	\$1.08

**Embedded Adult Vision Coverage (Applies to Individual, Non-Medigap Market Only)**

Refer to page 18 for details.

Projected PMPM Spread Over Individual Market	Blended with Small Group
\$1.07	\$0.11

**Projected PMPM**

1Q15	\$0.11
2Q15	\$0.11
3Q15	\$0.11
4Q15	\$0.11

**Projection Period Non-EHB**

1Q15	\$1.13
2Q15	\$1.15
3Q15	\$1.17
4Q15	\$1.19

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Estimate of non-EHB in Experience and Projection Periods**

**Abortion:**

<b>Total - Abortion Related</b>	<b>Allowed Amount</b>	<b>2013 Member Months</b>	<b>Exp Period PMPM</b>	<b>Projected Allowed</b>	<b>Projected 2015 Member Months (On-Exchange)</b>	<b>Projected PMPM</b>
GHMSI	\$64,028	47,691	<b>\$1.34</b>	\$80,016	55,746	\$1.44
BlueChoice	\$21,383	42,960	<b>\$0.50</b>	\$100,497	190,814	\$0.53
<b>SUM:</b>	<b>\$85,411</b>	<b>90,651</b>	<b>\$0.94</b>	<b>\$180,513</b>	<b>246,560</b>	<b>\$0.73</b>
Rounded up to federal minimum						<b>\$1.00</b>

**Core Vision**

Davis Vision capitation has been raised because \$10 copay has been dropped from exam

	<b>% Membership</b>	<b>Experience Period Capitation</b>		<b>Future Capitation PMPM</b>
		\$0.40		\$1.28
% pediatric members	21%	\$0.08	EHB portion of capitation	\$0.27
% non-pediatric	79%	<b>\$0.32</b>	non-EHB portion of capitation	<b>\$1.07</b>

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**GHMSI Plan Level Rate Derivation - On Exchange**

Plan Name	BluePreferred HSA Bronze \$3,500	BlueCross BlueShield Preferred 1500, A Multi-State Plan	BlueCross BlueShield Preferred 500, A Multi-State Plan	BluePreferred Platinum \$0	Overall
HIOS Product ID	<b>78079DC020</b>	<b>78079DC018</b>	<b>78079DC016</b>	<b>78079DC021</b>	
HIOS Plan ID	78079DC0200001	78079DC0180001	78079DC0160001	78079DC0210001	
<i>Metal Level</i>	Bronze	Silver	Gold	Platinum	
Metallic AV	61.2%	68.4%	78.3%	88.2%	
Index Rate (Average Allowed EHB)	\$ 472.69	\$ 472.69	\$ 472.69	\$ 472.69	\$ <b>472.69</b>
Market Level Adjustments:					
Reinsurance	0.944	0.944	0.944	0.944	
Risk Adjustment	1.000	1.000	1.000	1.000	
Exchange User Fees	1.000	1.000	1.000	1.000	
<b>Index Rate - Post Market Level Adj.</b>	<b>\$446.15</b>	<b>\$446.15</b>	<b>\$446.15</b>	<b>\$446.15</b>	\$ <b>446.15</b>
Cost-Share Factor	0.481	0.576	0.782	0.992	<b>0.746</b>
Network & UM	1.000	1.000	1.000	1.000	<b>1.000</b>
Non-EHB	1.004	1.002	1.002	1.004	<b>1.003</b>
Catastrophic Adj	1.000	1.000	1.000	1.000	<b>1.000</b>
Distribution & Admin Cost	1.331	1.331	1.331	1.331	<b>1.331</b>
<b>Index Rate - Plan Level</b>	<b>\$287.23</b>	<b>\$343.15</b>	<b>\$465.45</b>	<b>\$591.72</b>	<b>\$444.54</b>
Pricing AV	64.4%	76.9%	104.3%	132.6%	
Age Calibration	0.914	0.914	0.914	0.914	
Geo Calibration	1.000	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	1.000	
<b>Base Premium</b>	<b>\$262.55</b>	<b>\$313.67</b>	<b>\$425.46</b>	<b>\$540.88</b>	<b>\$406.34</b>
<b>Projected Member Months</b>	11,563	12,193	13,093	18,897	<b>55,746</b>
<b>2014 Index Rate - Plan Level</b>	\$ 263.60	\$ 334.13	\$ 416.37	\$ 520.10	\$ 401.86
<b>% Change</b>	<b>9.0%</b>	<b>2.7%</b>	<b>11.8%</b>	<b>13.8%</b>	<b>10.6%</b>
<b>2014 Base Premium</b>	\$ 237.79	\$ 301.42	\$ 375.61	\$ 469.18	\$ 362.51
<b>% Change</b>	<b>10.4%</b>	<b>4.1%</b>	<b>13.3%</b>	<b>15.3%</b>	<b>12.1%</b>

**Non-EHB**

Core Vision (Adult)	\$1.07
Abortion	\$1.00
Morbid Obesity	\$ -

0.207                      0.219                      0.235                      0.339

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**2015 Enrollment Projections by Product (BlueChoice & GHMSI)**

Total Members	GF Members	PPACA Members
27,000	4,000	23,000
On Exchange	100%	23,000

\*Stonegate study used to project % purchasing by metal level

% by FPL Estimate		
<150%	0.0%	33% total will be eligible for cost-share subsidy
151%-200%	0.0%	Assume 13% will opt to use their premium subsidy on bronze to get a \$0 premium product
201%-250%	3.0%	Assume other 20% will buy silver, so overall 40% silver will be 50/50 subsidized unsubsidized.
251%-400%	10.0%	
>400%	87.0%	

	<u>Metal Level</u>	<u>% purchased</u>	<u>Members Purchased</u>	Distribution of Non-GF Membership												
				January 60%	February 10%	March 10%	April 10%	May 3.0%	June 1.0%	July 1.0%	August 1.0%	September 1.0%	October 1.0%	November 1.0%	December 1.0%	
BlueChoice Young Adult \$6600		1,158	1,158	8,340	1,274	1,158	1,043	278	81	70	58	46	35	23	12	12,418
<b>Bronze Plans</b>		<b>6,455</b>														
BluePreferred HSA Bronze \$3,500	17%	1,079	7766	1187	1079	971	259	76	65	54	43	32	22	11	11,563	
BlueChoice HSA Bronze \$4,000	39%	2,497	17980	2747	2497	2248	599	175	150	125	100	75	50	25	26,771	
BlueChoice Plus Bronze \$5,500	12%	755	5439	831	755	680	181	53	45	38	30	23	15	8	8,099	
BlueChoice HSA Bronze \$6,000	33%	2,124	15291	2336	2124	1911	510	149	127	106	85	64	42	21	22,766	
<b>Silver Plans</b>		<b>5,234</b>														
BlueChoice HSA Silver \$1,300	41%	2,164	15584	2381	2164	1948	519	152	130	108	87	65	43	22	23,202	
CSR 200-250%	6%	329	2366	362	329	296	79	23	20	16	13	10	7	3	3,523	
CSR 150-200%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CSR 100-150%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
BluePreferred HSA Silver \$1,500	19%	987	7110	1086	987	889	237	69	59	49	39	30	20	10	10,586	
CSR 200-250%	3%	150	1080	165	150	135	36	10	9	7	6	4	3	1	1,607	
CSR 150-200%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CSR 100-150%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
BlueChoice Silver \$2,000	18%	918	6611	1010	918	826	220	64	55	46	37	28	18	9	9,843	
CSR 200-250%	3%	139	1004	153	139	125	33	10	8	7	6	4	3	1	1,495	
CSR 150-200%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CSR 100-150%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
BlueChoice Plus Silver \$2,500	9%	474	3411	521	474	426	114	33	28	24	19	14	9	5	5,078	
CSR 200-250%	1%	72	518	79	72	65	17	5	4	4	3	2	1	1	771	
CSR 150-200%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CSR 100-150%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Gold Plans</b>		<b>4,764</b>														
BlueChoice Gold \$0	19%	919	6618	1011	919	827	221	64	55	46	37	28	18	9	9,853	
BluePreferred Gold \$500	26%	1,221	8794	1343	1221	1099	293	85	73	61	49	37	24	12	13,093	
BlueChoice Gold \$1,000	34%	1,603	11544	1764	1603	1443	385	112	96	80	64	48	32	16	17,187	
HealthyBlue Gold \$1,500	21%	1,020	7343	1122	1020	918	245	71	61	51	41	31	20	10	10,933	
<b>Platinum Plans</b>		<b>5,389</b>														
HealthyBlue Platinum \$0	67%	3,626	26109	3989	3626	3264	870	254	218	181	145	109	73	36	38,874	
BluePreferred Platinum \$0	33%	1,763	12692	1939	1763	1586	423	123	106	88	71	53	35	18	18,897	
BluePreferred Subtotal	22.6%	5,200	37,441	5,720	5,200	4,680	1,248	364	312	260	208	156	104	52	55,746	Member Months
BlueChoice Subtotal	77.4%	17,800	128,159	19,580	17,800	16,020	4,272	1,246	1,068	890	712	534	356	178	190,814	Member Months
Grand Total		23,000	165,600	25,300	23,000	20,700	5,520	1,610	1,380	1,150	920	690	460	230	246,560	Member Months

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Pricing AV**

Projected EMMS (PPO)	Projected EMMs (PPO)	Metal	AV w/ Federal model	AV from internal Model	AV from internal Model	Benefit Generosity	Benefit Generosity	HSA vs Non- HSA	HSA vs Non- HSA
			(Different allowed per metal)	(Fixed allowed per metal)	All Silver at Base	(Adj. allowed per fed Model)	Scaled	(Adj for HSA behavior	Scaled
11,563	11,563	Bronze	61.2%	53.3%	53.3%	0.92	0.92	0.94	0.94
10,586	10,586	Silver Base	68.4%	61.5%	61.5%	0.95	0.95	0.94	0.94
1,607	1,607	<b>Silver 200</b>	73.7%	67.8%	61.5%	0.96	0.97	1.04	1.04
0	-	<b>Silver 150</b>	87.6%	83.0%	61.5%	1.05	1.05	1.04	1.04
0	-	<b>Silver 100</b>	93.2%	91.9%	61.5%	1.11	1.11	1.04	1.04
13,093	13,093	Gold	78.3%	74.1%	74.1%	1.00	1.00	1.04	1.04
18,897	18,897	Platinum	88.2%	89.2%	89.2%	1.07	1.08	1.04	1.04
<b>55,746</b>	<b>55,746</b>		76.1%	72.3%	72.2%	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>Silver Average</b>				<b>62.3%</b>			0.95		0.96
Fed Ave subsidy on Silver				0.8%					

Internal AV model was developed using 2012 small group claims data. This was done because the projected increase in morbidity means the claims distribution is more similar to the projected guaranteed issue pool (in terms of ultimate risk profile) than our current Individual Underwritten distribution. Using the higher small group claims continuance table more accurately estimated future Avs.

Have not updated internal AV model since 2014 filing, consistent with federal AV calculator remaining the same to promote benefit stability.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Utilization Impact**

	<u>GHMSI HSA</u>			<u>GHMSI HRA</u>			Utilization Difference (HSA/HRA -1)
	Cases/1000	Claims PMPM	Claims PMPM as % of Total	Cases/1000	Claims PMPM	Claims PMPM as % of Total	
Emergency Room - Facility & Professional	349	\$11.55	2.8%	366	\$10.99	2.2%	-4.6%
Skilled Nursing Facility - I/P - Facility & Professional	6	\$0.42	0.1%	9	\$1.02	0.2%	-33.3%
Inpatient Facility	59	\$64.52	15.6%	59	\$74.34	14.8%	0.0%
Inpatient Professional	386	\$12.82	3.1%	405	\$16.42	3.3%	-4.7%
Ambulatory Surgical Center - Facility & Professional	259	\$13.58	3.3%	276	\$14.13	2.8%	-6.2%
Outpatient Facility	678	\$63.75	15.4%	702	\$85.12	16.9%	-3.4%
Outpatient Professional	10,353	\$132.23	31.9%	11,067	\$138.64	27.6%	-6.5%
RX	10,394	\$115.81	27.9%	11,828	\$162.41	32.3%	-12.1%
<b>Total</b>	<b>22,484</b>	<b>\$414.68</b>	<b>100.0%</b>	<b>24,712</b>	<b>\$503.07</b>	<b>100.0%</b>	<b>-9.0%</b>

To estimate the impact a presense of an HSA account has on utilization, we used small group data (future projected state of Individual market in terms of ultimate risk profile) because it has very large credible blocks of both HSAs and HRAs, which have similar benefits but differ in whether the member can contribute their own money to the account. The above shows that owning the HSA bank account leads to lower overall utilization.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Age Factor Calibration**

PRODT_JURDCN_CD	D	District of Columbia
PRCG_ORGN_CD	B	GHMSI

Member Age	Member Count	Total*Age Factor	Age Rate
0-20	192	125.57	\$ 281.64
21	8	5.82	\$ 313.07
22	3	2	\$ 313.07
23	12	9	\$ 313.07
24	13	9	\$ 313.07
25	46	33	\$ 313.07
26	63	46	\$ 313.07
27	53	39	\$ 313.07
28	54	40	\$ 320.40
29	45	34	\$ 327.29
30	52	41	\$ 335.47
31	51	41	\$ 344.08
32	42	34	\$ 351.83
33	52	43	\$ 360.01
34	41	35	\$ 368.63
35	51	45	\$ 377.24
36	31	28	\$ 385.85
37	34	31	\$ 394.47
38	36	33	\$ 399.20
39	35	33	\$ 403.94
40	26	25	\$ 419.87
41	26	26	\$ 436.24
42	30	32	\$ 453.46
43	26	28	\$ 471.12
44	32	36	\$ 489.64
45	22	26	\$ 508.59
46	36	44	\$ 528.39
47	26	33	\$ 549.07
48	15	20	\$ 570.60
49	29	40	\$ 592.99
50	24	34	\$ 616.25
51	26	39	\$ 640.36
52	23	36	\$ 665.34
53	21	34	\$ 691.18
54	27	45	\$ 718.31
55	16	28	\$ 746.30
56	23	41	\$ 775.58
57	26	49	\$ 805.73
58	23	45	\$ 837.16
59	23	46	\$ 869.89
60	23	48	\$ 903.91
61	34	74	\$ 939.22
62	25	55	\$ 939.22
63	26	57	\$ 939.22
64+	20	44	\$ 939.22
<b>Grand Total</b>	<b>1,542</b>	<b>1,693</b>	

Avg Age Factor: 1.098  
Weighted Avg Age: 43  
Closest Fed Factor for Weighted Ave Age: 1.094  
Calibration Factor: = 1/1.094 = 0.914

**\$ 472.69**

# Appendix



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**

**Rating Methodology**

Rates in 2015 will be developed using a member-level build-up.

For each member in a family, that member's age and geographic factors will be multiplied together to get the composite member factor.

Once each member's composite factor is computed, they are added together to get the total factor for the policy. Each family member is included in the calculation, except for families that have four or more children 20 years of younger. For these families, only the three oldest children under 21 years of age are included. All children 21 years or older are included for all families.

Note that the factors are not rounded when they are multiplied. The multiplication of a 3-digit age factor and a 3-digit geo factor result in a composite factor with 9 digits after the decimal.

After the policy's total factor is computed by summing the family members, this total factor is multiplied by the base rate. The final result is then rounded to the nearest dollar.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**Reserve Calculation Methodology**

We use an IBNR model which is based on the most recent 36 lag months. The great majority of our IBNR is held in the first few lag months (lags 0 through 2), and the completion factors for lags 0-2 are more variable than for other lags. We use a variety of metrics for setting our Incurred Claim estimate for lags 0-2. The metrics we consider include, but are not limited to, incurred claims trend, straight paid claims, inventory levels, loss ratios, and seasonal effects.

For lags 3-35, we use an IBNR method called "Chain and Ladder" in calculating the IBNR. For lags 36-41, we retain history to have available additional trend factors to be used in the analysis of the reserves. We assume the claims in lags 36-41 are 100% complete. The chain-and-ladder develops a set of completion factors based on the completion ratio experience for each product.

The Chain and Ladder model uses the most recent 6 completion ratios for a given lag duration (0 to 34) and applies a smoothing method to estimate these completion ratios. Assuming a completion factor of 1.0 for lags 35 and greater, the completion factor for lag 34 is calculated by taking the product of the estimated completion ratio and completion factor for lag 35. Completion factors for lags 33 to 0 are calculated using this method. We divide the "paid to date" dollars by these completion factors for the given lag month which in turn is used to develop an estimated total incurred amount and corresponding IBNR.

All these factors are considered together to choose an incurred dollar estimate that is consistent with the completion factors, trends, and loss ratios that we have experienced historically for the product line for which we are setting the reserve.

The claims in this experience period of data run from January 2010 and are paid through March 2014. The claims are also incurred through the same time period. All of the months are completed using the methodology described above. Please see the paid, completion factors and corresponding reserve on the next pages. But, for purposes of pricing we only consider an experience period of January 2013 with paid through March 2014 and incurred through December 2013, or an Incurred 12, Paid 15 experience period. Thus we do not include the most recent 2 months in our rating estimates since these months have a higher probability of recasting.

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products Rates Effective 1/1/2015  
2015 DC Age Rating Factors

% Δ

Age Band	Age Factor	Age Factor
0-20	0.654	
21	0.727	11.2%
22	0.727	0.0%
23	0.727	0.0%
24	0.727	0.0%
25	0.727	0.0%
26	0.727	0.0%
27	0.727	0.0%
28	0.744	2.3%
29	0.760	2.2%
30	0.779	2.5%
31	0.799	2.6%
32	0.817	2.3%
33	0.836	2.3%
34	0.856	2.4%
35	0.876	2.3%
36	0.896	2.3%
37	0.916	2.2%
38	0.927	1.2%
39	0.938	1.2%
40	0.975	3.9%
41	1.013	3.9%
42	1.053	3.9%
43	1.094	3.9%
44	1.137	3.9%
45	1.181	3.9%
46	1.227	3.9%
47	1.275	3.9%
48	1.325	3.9%
49	1.377	3.9%
50	1.431	3.9%
51	1.487	3.9%
52	1.545	3.9%
53	1.605	3.9%
54	1.668	3.9%
55	1.733	3.9%
56	1.801	3.9%
57	1.871	3.9%
58	1.944	3.9%
59	2.020	3.9%
60	2.099	3.9%
61	2.181	3.9%
62	2.181	0.0%
63	2.181	0.0%
64+	2.181	0.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products Rates Effective 1/1/2015  
**D.C. GHMSI Small Group & Individual Base Experience Medical Inpatient**  
Experience Period: Incurred 201301 - 201312, Paid through 201403

Month	Contracts	Members	Allowed	Admits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Admits	Allowed	Admits/1 000	Unit Cost	Allowed	Admits/1000	Unit Cost
201104	24,573	44,425	3,177,993	230	1.00	3,177,993	230						
201105	24,638	44,458	2,886,577	228	1.00	2,886,577	228						
201106	24,853	44,833	2,947,777	231	1.00	2,947,777	231						
201107	25,227	45,408	3,007,547	222	1.00	3,007,547	222						
201108	25,548	46,029	3,554,226	246	1.00	3,554,226	246						
201109	25,817	46,386	3,499,075	225	1.00	3,499,075	225						
201110	25,789	46,303	2,688,617	226	1.00	2,688,617	226						
201111	25,887	46,489	3,067,304	226	1.00	3,067,304	226						
201112	26,071	46,963	2,778,732	223	1.00	2,778,732	223						
201201	25,978	46,832	3,054,316	216	1.00	3,054,316	216						
201202	26,250	47,247	2,497,675	205	1.00	2,497,736	205						
201203	26,258	47,356	4,251,848	261	1.00	4,251,872	261	67.69	59.47	\$13,658.88			
201204	26,447	47,649	2,763,043	211	1.00	2,763,307	211	66.55	58.71	\$13,601.74			
201205	26,395	47,635	3,322,394	237	1.00	3,322,875	237	66.95	58.57	\$13,716.59			
201206	26,655	48,196	2,800,296	204	1.00	2,800,762	204	66.29	57.65	\$13,799.09			
201207	26,601	48,222	3,792,184	253	1.00	3,792,899	253	67.35	58.02	\$13,929.68			
201208	26,688	48,462	3,336,609	221	1.00	3,337,418	221	66.68	57.24	\$13,977.94			
201209	26,679	48,449	3,071,903	229	1.00	3,073,016	229	65.69	57.12	\$13,799.80			
201210	26,712	48,511	3,244,463	246	1.00	3,246,404	246	66.41	57.32	\$13,902.18			
201211	26,544	48,222	3,102,058	227	1.00	3,104,284	227	66.27	57.17	\$13,909.78			
201212	26,341	47,990	2,530,845	218	1.00	2,532,687	218	65.73	56.97	\$13,844.32			
201301	25,958	47,246	3,486,818	235	1.00	3,490,479	235	66.44	57.33	\$13,906.06			
201302	25,846	46,937	2,790,054	192	1.00	2,793,829	192	66.99	57.10	\$14,079.08			
201303	25,726	46,590	3,171,904	226	1.00	3,177,277	226	65.21	56.45	\$13,861.65	-3.7%	-5.1%	1.5%
201304	25,708	46,561	3,206,054	211	1.00	3,215,070	212	66.12	56.57	\$14,025.92	-0.6%	-3.6%	3.1%
201305	25,578	46,236	2,825,722	230	1.00	2,838,520	231	65.43	56.58	\$13,877.36	-2.3%	-3.4%	1.2%
201306	25,449	46,015	3,200,241	227	0.99	3,217,537	228	66.41	57.31	\$13,907.08	0.2%	-0.6%	0.8%
201307	25,264	45,677	2,881,832	214	0.99	2,901,965	215	65.14	56.77	\$13,769.59	-3.3%	-2.2%	-1.1%
201308	25,258	45,651	2,929,277	215	0.99	2,959,587	217	64.80	56.97	\$13,648.15	-2.8%	-0.5%	-2.4%
201309	25,037	45,204	4,687,106	197	0.99	4,751,999	200	68.16	56.67	\$14,433.27	3.8%	-0.8%	4.6%
201310	24,958	45,012	3,031,948	194	0.98	3,090,802	198	68.31	55.99	\$14,642.04	2.9%	-2.3%	5.3%
201311	24,764	44,698	3,243,489	222	0.97	3,341,487	229	69.18	56.38	\$14,724.52	4.4%	-1.4%	5.9%
201312	24,369	44,056	2,957,987	192	0.95	3,121,068	203	70.74	56.44	\$15,040.71	7.6%	-0.9%	8.6%
201401	23,445	42,419	3,518,493	202	0.89	3,940,415	226	72.19	56.74	\$15,267.63	8.7%	-1.0%	9.8%
201402	22,629	41,087	2,173,870	160	0.83	2,621,833	193	72.66	57.37	\$15,196.68	8.5%	0.5%	7.9%
201403	21,669	39,429	903,517	65	0.39	2,304,152	166	71.99	56.78	\$15,215.95	10.4%	0.6%	9.8%
Experience Period	303,915	549,883	38,412,432	2,555	0.99	38,899,620	2,586						
201303	25,726	46,590									-3.7%	-5.1%	1.5%
201309	25,037	45,204									3.8%	-0.8%	4.6%
201312	24,369	44,056									7.6%	-0.9%	8.6%
Avg last 6 months	24,942	45,050									2.1%	-1.3%	3.5%
Selected Pricing Trend												0.0%	5.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products Rates Effective 1/1/2015  
**D.C. GHMSI Small Group & Individual Base Experience Medical Outpatient**  
Experience Period: Incurred 201301 - 201312, Paid through 201403

						Completed		Rolling 12 PMPM			Rolling 12 Trend		
Month	Contracts	Members	Allowed	Visits	Completion Factor	Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost
201104	24,573	44,425	3,178,754	2,966	1.00	3,178,754	2,966						
201105	24,638	44,458	3,484,371	3,268	1.00	3,484,371	3,268						
201106	24,853	44,833	3,158,283	3,237	1.00	3,158,283	3,237						
201107	25,227	45,408	2,975,003	2,927	1.00	2,975,003	2,927						
201108	25,548	46,029	3,491,421	3,174	1.00	3,491,421	3,174						
201109	25,817	46,386	3,182,838	3,129	1.00	3,182,838	3,129						
201110	25,789	46,303	3,451,108	3,156	1.00	3,451,108	3,156						
201111	25,887	46,489	3,405,520	3,109	1.00	3,405,520	3,109						
201112	26,071	46,963	3,455,972	3,280	1.00	3,455,972	3,280						
201201	25,978	46,832	3,711,937	3,439	1.00	3,711,937	3,439	73.56	833.94	\$1,058.50			
201202	26,250	47,247	3,473,605	3,301	1.00	3,473,655	3,301						
201203	26,258	47,356	3,690,368	3,426	1.00	3,690,424	3,426						
201204	26,447	47,649	3,613,694	3,346	1.00	3,614,039	3,346						
201205	26,395	47,635	3,712,681	3,442	1.00	3,713,176	3,442						
201206	26,655	48,196	3,503,859	3,313	1.00	3,504,405	3,314						
201207	26,601	48,222	3,893,326	3,356	1.00	3,894,050	3,357						
201208	26,688	48,462	3,862,562	3,408	1.00	3,863,546	3,409						
201209	26,679	48,449	3,691,959	3,156	1.00	3,693,381	3,157						
201210	26,712	48,511	3,724,981	3,369	1.00	3,727,215	3,371						
201211	26,544	48,222	3,429,819	3,177	1.00	3,432,242	3,179						
201212	26,341	47,990	3,663,958	3,158	1.00	3,666,571	3,160						
201301	25,958	47,246	4,034,443	3,458	1.00	4,038,740	3,462	77.04	832.94	\$1,109.89	5.9%	-0.5%	6.3%
201302	25,846	46,937	3,734,394	3,163	1.00	3,739,445	3,167	77.54	830.59	\$1,120.30			
201303	25,726	46,590	3,815,648	3,347	1.00	3,822,259	3,353	77.88	830.17	\$1,125.68			
201304	25,708	46,561	4,068,821	3,288	1.00	4,080,317	3,297	78.84	830.72	\$1,138.83			
201305	25,578	46,236	3,900,740	3,298	1.00	3,918,528	3,313	79.39	830.04	\$1,147.74			
201306	25,449	46,015	3,662,185	3,100	0.99	3,682,141	3,117	80.01	829.08	\$1,158.00			
201307	25,264	45,677	4,076,258	3,237	0.99	4,104,837	3,260	80.74	830.75	\$1,166.23			
201308	25,258	45,651	3,824,587	3,219	0.99	3,864,403	3,252	81.14	831.56	\$1,170.91			
201309	25,037	45,204	3,548,379	2,992	0.99	3,597,564	3,034	81.44	833.73	\$1,172.17			
201310	24,958	45,012	4,051,339	3,334	0.98	4,129,689	3,399	82.67	839.56	\$1,181.66			
201311	24,764	44,698	3,500,573	2,933	0.97	3,606,413	3,022	83.51	841.49	\$1,190.94			
201312	24,369	44,056	3,659,506	3,111	0.95	3,861,273	3,283	84.46	850.18	\$1,192.19			
201401	23,445	42,419	3,331,282	3,012	0.89	3,732,726	3,375	84.65	855.79	\$1,186.98	9.9%	2.7%	6.9%
201402	22,629	41,087	3,048,401	2,576	0.83	3,680,455	3,111	85.46	863.83	\$1,187.17	10.2%	4.0%	6.0%
201403	21,669	39,429	1,145,210	1,190	0.39	2,922,646	3,036	84.92	868.31	\$1,173.59	9.0%	4.6%	4.3%
Experience Period	303,915	549,883	45,876,873	38,480	0.99	46,445,610	38,958						
201303	25,726	46,590									5.9%	-0.5%	6.3%
201309	25,037	45,204									6.7%	-0.4%	7.1%
201312	24,369	44,056									10.4%	2.1%	8.2%
Avg last 6 months	24,942	45,050									8.2%	0.1%	8.1%
Selected Pricing Trend												2.0%	8.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products Rates Effective 1/1/2015  
**D.C. GHMSI Small Group & Individual Base Experience Medical Professional**  
Experience Period: Incurred 201301 - 201312, Paid through 201403

Month	Contracts	Members	Allowed	Visits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost
201104	24,573	44,425	5,516,172	37,166	1.00	5,516,172	37,166						
201105	24,638	44,458	5,893,690	39,092	1.00	5,893,690	39,092						
201106	24,853	44,833	5,842,663	39,487	1.00	5,842,663	39,487						
201107	25,227	45,408	5,257,241	35,661	1.00	5,257,241	35,661						
201108	25,548	46,029	6,110,762	39,998	1.00	6,110,762	39,998						
201109	25,817	46,386	5,846,660	39,335	1.00	5,846,660	39,335						
201110	25,789	46,303	6,040,574	41,405	1.00	6,040,574	41,405						
201111	25,887	46,489	5,950,962	40,140	1.00	5,950,962	40,140						
201112	26,071	46,963	5,728,530	39,361	1.00	5,728,530	39,361						
201201	25,978	46,832	6,800,535	43,295	1.00	6,800,535	43,295						
201202	26,250	47,247	6,200,219	40,982	1.00	6,200,327	40,983						
201203	26,258	47,356	6,620,148	43,407	1.00	6,620,258	43,408	129.92	10,406.49	\$149.81			
201204	26,447	47,649	6,158,281	40,135	1.00	6,158,871	40,139	130.32	10,410.31	\$150.22			
201205	26,395	47,635	6,812,828	43,975	1.00	6,813,730	43,981	131.22	10,456.08	\$150.60			
201206	26,655	48,196	6,363,945	40,668	1.00	6,364,938	40,674	131.37	10,418.89	\$151.30			
201207	26,601	48,222	6,400,426	40,031	1.00	6,401,624	40,039	132.74	10,459.95	\$152.28			
201208	26,688	48,462	6,483,075	42,957	1.00	6,484,683	42,968	132.83	10,477.90	\$152.12			
201209	26,679	48,449	6,156,702	39,084	1.00	6,159,024	39,099	132.90	10,434.99	\$152.83			
201210	26,712	48,511	6,620,935	43,376	1.00	6,624,897	43,402	133.40	10,436.60	\$153.39			
201211	26,544	48,222	6,113,948	40,982	1.00	6,118,309	41,011	133.29	10,423.30	\$153.46			
201212	26,341	47,990	5,639,077	37,704	1.00	5,643,147	37,731	132.91	10,370.65	\$153.79			
201301	25,958	47,246	7,056,306	44,540	1.00	7,063,883	44,588	133.27	10,390.15	\$153.92			
201302	25,846	46,937	6,113,321	39,257	1.00	6,121,613	39,310	133.20	10,360.85	\$154.28			
201303	25,726	46,590	6,230,152	39,447	1.00	6,240,854	39,515	132.72	10,293.30	\$154.73	2.2%	-1.1%	3.3%
201304	25,708	46,561	6,778,301	42,894	1.00	6,797,571	43,016	134.09	10,373.10	\$155.12	2.9%	-0.4%	3.3%
201305	25,578	46,236	6,577,478	41,911	1.00	6,607,650	42,103	134.05	10,359.07	\$155.29	2.2%	-0.9%	3.1%
201306	25,449	46,015	6,004,170	38,066	0.99	6,037,063	38,275	133.99	10,348.18	\$155.38	2.0%	-0.7%	2.7%
201307	25,264	45,677	6,329,203	40,001	0.99	6,373,656	40,282	134.54	10,399.79	\$155.25	1.4%	-0.6%	1.9%
201308	25,258	45,651	6,252,769	39,181	0.99	6,317,836	39,589	134.92	10,379.74	\$155.98	1.6%	-0.9%	2.5%
201309	25,037	45,204	6,186,876	38,203	0.99	6,273,127	38,735	135.90	10,432.02	\$156.33	2.3%	0.0%	2.3%
201310	24,958	45,012	6,888,422	44,165	0.98	7,022,069	45,022	137.47	10,532.39	\$156.62	3.0%	0.9%	2.1%
201311	24,764	44,698	5,869,428	37,848	0.97	6,046,998	38,993	138.21	10,555.69	\$157.13	3.7%	1.3%	2.4%
201312	24,369	44,056	5,666,439	35,439	0.95	5,978,788	37,393	139.81	10,623.82	\$157.92	5.2%	2.4%	2.7%
201401	23,445	42,419	5,878,945	36,658	0.89	6,586,214	41,070	140.18	10,640.45	\$158.09	5.2%	2.4%	2.7%
201402	22,629	41,087	4,793,815	30,018	0.83	5,786,817	36,243	141.08	10,687.62	\$158.40	5.9%	3.2%	2.7%
201403	21,669	39,429	2,757,799	17,867	0.39	7,032,984	45,553	144.46	10,967.66	\$158.06	8.8%	6.6%	2.2%
Experience Period	303,915	549,883	75,952,865	480,952	0.99	76,881,109	486,822						
201303	25,726	46,590									2.2%	-1.1%	3.3%
201309	25,037	45,204									2.3%	0.0%	2.3%
201312	24,369	44,056									5.2%	2.4%	2.7%
Avg last 6 months	24,942	45,050									2.9%	0.5%	2.3%
Selected Pricing Trend												2.5%	2.5%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products Rates Effective 1/1/2015  
**D.C. GHMSI Small Group & Individual Base Experience Medical Other**  
Experience Period: Incurred 201301 - 201312, Paid through 201403

Month	Contracts	Members	Allowed	Services	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Services	Allowed	Services/1000	Unit Cost	Allowed	Services/1000	Unit Cost
201104	24,573	44,425	743,130	2,793	1.00	743,130	2,793						
201105	24,638	44,458	833,362	3,025	1.00	833,362	3,025						
201106	24,853	44,833	742,646	2,986	1.00	742,646	2,986						
201107	25,227	45,408	735,641	2,884	1.00	735,641	2,884						
201108	25,548	46,029	1,039,875	3,209	1.00	1,039,875	3,209						
201109	25,817	46,386	901,292	3,241	1.00	901,292	3,241						
201110	25,789	46,303	887,467	3,275	1.00	887,467	3,275						
201111	25,887	46,489	910,906	3,510	1.00	910,906	3,510						
201112	26,071	46,963	1,011,740	3,542	1.00	1,011,740	3,542						
201201	25,978	46,832	834,819	3,631	1.00	834,819	3,631						
201202	26,250	47,247	831,307	3,157	1.00	831,327	3,157						
201203	26,258	47,356	1,000,161	3,707	1.00	1,000,179	3,707	18.95	845.84	\$268.80			
201204	26,447	47,649	848,042	3,338	1.00	848,127	3,338	19.03	852.70	\$267.75			
201205	26,395	47,635	805,633	3,456	1.00	805,736	3,456	18.87	857.12	\$264.16			
201206	26,655	48,196	796,590	3,400	1.00	796,716	3,400	18.85	860.84	\$262.79			
201207	26,601	48,222	779,583	3,225	1.00	779,732	3,226	18.84	863.80	\$261.67			
201208	26,688	48,462	848,881	3,454	1.00	849,095	3,455	18.42	865.29	\$255.43			
201209	26,679	48,449	796,757	3,253	1.00	797,057	3,254	18.17	862.44	\$252.81			
201210	26,712	48,511	842,682	3,552	1.00	843,187	3,554	18.02	864.96	\$250.02			
201211	26,544	48,222	934,512	3,693	1.00	935,182	3,695	18.01	866.23	\$249.49			
201212	26,341	47,990	933,547	3,541	1.00	934,230	3,543	17.84	864.71	\$247.61			
201301	25,958	47,246	952,879	3,542	1.00	953,920	3,546	18.04	862.31	\$251.00			
201302	25,846	46,937	971,797	3,412	1.00	973,117	3,416	18.29	868.19	\$252.84			
201303	25,726	46,590	947,156	3,427	1.00	948,801	3,433	18.23	863.62	\$253.28	-3.8%	2.1%	-5.8%
201304	25,708	46,561	1,010,397	3,750	1.00	1,013,294	3,760	18.55	874.10	\$254.68	-2.5%	2.5%	-4.9%
201305	25,578	46,236	955,106	3,691	1.00	959,520	3,708	18.87	881.51	\$256.81	0.0%	2.8%	-2.8%
201306	25,449	46,015	831,282	3,233	0.99	835,831	3,250	19.01	881.72	\$258.67	0.8%	2.4%	-1.6%
201307	25,264	45,677	1,015,571	3,418	0.99	1,022,712	3,442	19.52	890.26	\$263.12	3.6%	3.1%	0.6%
201308	25,258	45,651	1,076,807	3,439	0.99	1,088,011	3,475	20.04	895.12	\$268.67	8.8%	3.4%	5.2%
201309	25,037	45,204	986,679	3,506	0.99	1,000,381	3,554	20.52	906.71	\$271.57	12.9%	5.1%	7.4%
201310	24,958	45,012	1,084,701	3,851	0.98	1,105,604	3,925	21.12	920.39	\$275.35	17.2%	6.4%	10.1%
201311	24,764	44,698	942,881	3,366	0.97	971,421	3,468	21.32	921.31	\$277.68	18.4%	6.4%	11.3%
201312	24,369	44,056	1,026,556	3,336	0.95	1,083,016	3,521	21.74	927.42	\$281.32	21.9%	7.3%	13.6%
201401	23,445	42,419	852,493	2,817	0.89	955,875	3,159	21.94	927.12	\$283.95	21.6%	7.5%	13.1%
201402	22,629	41,087	718,608	2,404	0.83	868,522	2,910	21.98	925.91	\$284.90	20.2%	6.6%	12.7%
201403	21,669	39,429	585,760	1,414	0.39	1,490,960	3,614	23.30	942.47	\$296.63	27.8%	9.1%	17.1%
Experience Period	303,915	549,883	11,801,811	41,971	0.99	11,955,628	42,498						
201303	25,726	46,590									-3.8%	2.1%	-5.8%
201309	25,037	45,204									12.9%	5.1%	7.4%
201312	24,369	44,056									21.9%	7.3%	13.6%
Avg last 6 months	24,942	45,050									13.8%	5.3%	8.0%
Selected Pricing Trend												6.0%	10.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products Rates Effective 1/1/2015  
**D.C. GHMSI Small Group & Individual Base Experience Rx**  
Experience Period: Incurred 201301 - 201312, Paid through 201403

Month	Contracts	Members	Allowed	Scripts	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Scripts	Allowed	Scripts/1000	Unit Cost	Allowed	Scripts/1000	Unit Cost
201104	24,573	44,425	4,233,261	35,613	1.00	4,233,261	35,613						
201105	24,638	44,458	4,354,373	37,107	1.00	4,354,373	37,107						
201106	24,853	44,833	4,551,853	36,678	1.00	4,551,853	36,678						
201107	25,227	45,408	4,210,285	35,189	1.00	4,210,285	35,189						
201108	25,548	46,029	4,591,213	36,973	1.00	4,591,213	36,973						
201109	25,817	46,386	4,524,802	35,261	1.00	4,524,802	35,261						
201110	25,789	46,303	4,483,827	36,946	1.00	4,483,827	36,946						
201111	25,887	46,489	4,591,120	37,544	1.00	4,591,120	37,544						
201112	26,071	46,963	4,678,459	39,030	1.00	4,678,459	39,030						
201201	25,978	46,832	4,909,976	39,711	1.00	4,909,976	39,711						
201202	26,250	47,247	4,505,044	36,865	1.00	4,505,044	36,865						
201203	26,258	47,356	4,773,854	39,397	1.00	4,773,854	39,397	98.44	9,689.68	\$121.91			
201204	26,447	47,649	4,726,161	37,733	1.00	4,726,161	37,733	98.75	9,679.25	\$122.43			
201205	26,395	47,635	4,904,952	39,047	1.00	4,904,952	39,047	99.17	9,665.89	\$123.12			
201206	26,655	48,196	4,469,023	36,997	1.00	4,469,023	36,997	98.43	9,614.90	\$122.85			
201207	26,601	48,222	4,650,061	37,466	1.00	4,650,061	37,466	98.72	9,615.38	\$123.21			
201208	26,688	48,462	4,803,099	38,604	1.00	4,803,099	38,604	98.67	9,608.64	\$123.23			
201209	26,679	48,449	4,361,381	35,615	1.00	4,361,381	35,615	98.03	9,581.31	\$122.77			
201210	26,712	48,511	4,697,750	38,069	1.00	4,697,750	38,069	98.02	9,567.89	\$122.94			
201211	26,544	48,222	4,567,187	37,670	1.00	4,567,187	37,670	97.69	9,541.62	\$122.86			
201212	26,341	47,990	4,851,088	38,650	1.00	4,851,088	38,650	97.81	9,516.64	\$123.34			
201301	25,958	47,246	5,119,718	40,217	1.00	5,119,718	40,217	98.11	9,520.35	\$123.66			
201302	25,846	46,937	4,314,451	35,170	1.00	4,314,451	35,170	97.83	9,490.10	\$123.70			
201303	25,726	46,590	4,835,349	37,134	1.00	4,835,349	37,134	98.07	9,455.46	\$124.46	-0.4%	-2.4%	2.1%
201304	25,708	46,561	4,865,205	37,431	1.00	4,865,205	37,431	98.49	9,467.09	\$124.85	-0.3%	-2.2%	2.0%
201305	25,578	46,236	4,777,087	37,531	1.00	4,777,087	37,531	98.51	9,458.43	\$124.98	-0.7%	-2.1%	1.5%
201306	25,449	46,015	4,597,348	34,690	1.00	4,597,348	34,690	99.11	9,446.04	\$125.91	0.7%	-1.8%	2.5%
201307	25,264	45,677	5,070,693	36,340	1.00	5,070,693	36,340	100.30	9,464.61	\$127.17	1.6%	-1.6%	3.2%
201308	25,258	45,651	4,974,751	35,069	1.00	4,974,751	35,069	101.11	9,436.58	\$128.57	2.5%	-1.8%	4.3%
201309	25,037	45,204	4,839,945	33,799	1.00	4,839,945	33,799	102.54	9,452.32	\$130.18	4.6%	-1.3%	6.0%
201310	24,958	45,012	5,242,465	35,643	1.00	5,242,465	35,643	104.16	9,459.43	\$132.14	6.3%	-1.1%	7.5%
201311	24,764	44,698	4,766,864	33,048	1.00	4,766,864	33,048	105.19	9,419.47	\$134.01	7.7%	-1.3%	9.1%
201312	24,369	44,056	5,289,190	35,416	1.00	5,289,190	35,416	106.74	9,416.29	\$136.02	9.1%	-1.1%	10.3%
201401	23,445	42,419	4,307,404	32,840	1.00	4,307,404	32,840	106.19	9,337.26	\$136.48	8.2%	-1.9%	10.4%
201402	22,629	41,087	3,897,255	29,284	1.00	3,897,255	29,284	106.57	9,307.57	\$137.40	8.9%	-1.9%	11.1%
201403	21,669	39,429	4,273,443	31,355	1.00	4,273,443	31,355	106.95	9,302.51	\$137.96	9.1%	-1.6%	10.9%
Experience Period	303,915	549,883	58,693,066	431,488	1.00	58,693,066	431,488						
201303	25,726	46,590									-0.4%	-2.4%	2.1%
201309	25,037	45,204									4.6%	-1.3%	6.0%
201312	24,369	44,056									9.1%	-1.1%	10.3%
Avg last 6 months	24,942	45,050									5.3%	-1.4%	6.7%
Selected Pricing Trend												-1.5%	7.5%



Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products Rates Effective 1/1/2015  
**D.C. GHMSI Small Group & Individual Base Experience - Medical and Rx Total**  
Experience Period: Incurred 201301 - 201312, Paid through 201403

					Completed	Rolling 12 PMPM	Rolling 12 Trend
Month	Contracts	Members	Allowed	Completion Factor	Allowed	Allowed	Allowed
201104	24,573	44,425	16,849,310	1.00	16,849,310		
201105	24,638	44,458	17,452,372	1.00	17,452,372		
201106	24,853	44,833	17,243,222	1.00	17,243,222		
201107	25,227	45,408	16,185,717	1.00	16,185,717		
201108	25,548	46,029	18,787,497	1.00	18,787,497		
201109	25,817	46,386	17,954,668	1.00	17,954,668		
201110	25,789	46,303	17,551,594	1.00	17,551,594		
201111	25,887	46,489	17,925,812	1.00	17,925,812		
201112	26,071	46,963	17,653,433	1.00	17,653,433		
201201	25,978	46,832	19,311,583	1.00	19,311,583		
201202	26,250	47,247	17,507,849	1.00	17,508,090		
201203	26,258	47,356	20,336,379	1.00	20,336,586	388.54	
201204	26,447	47,649	18,109,222	1.00	18,110,504	388.56	
201205	26,395	47,635	19,558,488	1.00	19,560,470	390.12	
201206	26,655	48,196	17,933,714	1.00	17,935,845	389.02	
201207	26,601	48,222	19,515,580	1.00	19,518,366	392.98	
201208	26,688	48,462	19,334,226	1.00	19,337,842	392.27	
201209	26,679	48,449	18,078,702	1.00	18,083,860	391.07	
201210	26,712	48,511	19,130,810	1.00	19,139,454	392.34	
201211	26,544	48,222	18,147,525	1.00	18,157,203	391.56	
201212	26,341	47,990	17,618,514	1.00	17,627,723	390.81	
201301	25,958	47,246	20,650,165	1.00	20,666,739	392.89	
201302	25,846	46,937	17,924,017	1.00	17,942,454	393.85	
201303	25,726	46,590	19,000,208	1.00	19,024,540	392.09	0.9%
201304	25,708	46,561	19,928,776	1.00	19,971,457	396.09	1.9%
201305	25,578	46,236	19,036,133	1.00	19,101,305	396.25	1.6%
201306	25,449	46,015	18,295,226	1.00	18,369,920	398.53	2.4%
201307	25,264	45,677	19,373,558	0.99	19,473,864	400.24	1.8%
201308	25,258	45,651	19,058,192	0.99	19,204,588	402.00	2.5%
201309	25,037	45,204	20,248,985	0.99	20,463,017	408.57	4.5%
201310	24,958	45,012	20,298,874	0.99	20,590,629	413.74	5.5%
201311	24,764	44,698	18,323,235	0.98	18,733,184	417.41	6.6%
201312	24,369	44,056	18,599,677	0.96	19,333,336	423.50	8.4%
201401	23,445	42,419	17,888,618	0.92	19,522,635	425.15	8.2%
201402	22,629	41,087	14,631,949	0.87	16,854,882	427.75	8.6%
201403	21,669	39,429	9,665,729	0.54	18,024,186	431.62	10.1%
Experience Period	303,915	549,883	230,737,046	0.99	232,875,032		
201303	25,726	46,590					0.9%
201309	25,037	45,204					4.5%
201312	24,369	44,056					8.4%
Avg last 6 months	24,942	45,050					4.9%

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**

**DC Combined - Small Group & Individual Capitations**

<u>Description</u>	<u>1/1/13 PMPM</u>	<u>1/1/14 PMPM</u>	<u>Δ</u>
Mental Health UR	\$0.60	\$0.62	2.6%
Nurse Hotline	\$0.04	\$0.04	0.0%
Wellness*	\$0.21	\$0.21	0.0%
Vision	\$0.41	\$0.42	2.1%
	<u>\$1.26</u>	<u>\$1.29</u>	<u>1.9%</u>

\*The total Capitation for Wellness is \$0.26, but only applies to members age 18+.

**Group Hospitalization & Medical Services, Inc. (GHMSI)  
d.b.a. CareFirst BlueCross BlueShield  
(NAIC # 53007)**

**DC Individual Exchange Products  
Rates Effective 1/1/2015**

**Actuarial Value Calculations**

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Actuarial Value Calculations**  
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BluePreferred Platinum \$0	9

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**BluePreferred HSA Bronze \$3500**

**User Inputs for Plan Parameters**

Use Integrated Medical and Drug Deductible? Y  
 Apply Inpatient Copay per Day? N  
 Apply Skilled Nursing Facility Copay per Day? N  
 Use Separate OOP Maximum for Medical and Drug Spending? N  
 Indicate if Plan Meets CSR Standard? N  
 Desired Metal Tier Bronze

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	N	Blended Network/POS Plan?	N
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

Tier 1 Plan Benefit Design		
Medical	Drug	Combined
Deductible (\$)		\$3,500.00
Coinsurance (% Insurer's Cost Share)		80.00%
OOP Maximum (\$)		\$6,350.00
OOP Maximum if Separate (\$)		

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

[Click Here for Important Instructions](#)

Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
<b>Medical</b>								
Emergency Room Services	Y	Y						
All Inpatient Hospital Services (inc. MHSA)	Y	Y						
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	Y	N		\$30.00				
Specialist Visit	Y	N		\$40.00				
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	Y	N		\$30.00				
Imaging (CT/PET Scans, MRIs)	Y	Y						
Rehabilitative Speech Therapy	Y	N		\$40.00				
Rehabilitative Occupational and Rehabilitative Physical Therapy	Y	N		\$40.00				
Preventive Care/Screening/Immunization	N	N	100%	\$0.00				
Laboratory Outpatient and Professional Services	Y	Y						
X-rays and Diagnostic Imaging	Y	Y						
Skilled Nursing Facility	Y	Y						
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Y	Y						
Outpatient Surgery Physician/Surgical Services	Y	Y						
<b>Drugs</b>								
Generics	Y	Y	80%					
Preferred Brand Drugs	Y	Y	70%					
Non-Preferred Brand Drugs	Y	Y	50%					
Specialty Drugs (i.e. high-cost)	Y	Y	50%					

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments?	N
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	N
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	N
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	N
# Copays (1-10):	

**Output**

Status/Error Messages: Calculation Successful.  
 Actuarial Value: 61.2%  
 Metal Tier: Bronze

\*"Y" means the checkbox was checked, "N" means the checkbox was left unchecked.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**BluePreferred HSA Silver \$1500**

**User Inputs for Plan Parameters**

Use Integrated Medical and Drug Deductible? Y  
 Apply Inpatient Copay per Day? N  
 Apply Skilled Nursing Facility Copay per Day? N  
 Use Separate OOP Maximum for Medical and Drug Spending? N  
 Indicate if Plan Meets CSR Standard? N  
 Desired Metal Tier Silver

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	N	Blended Network/POS Plan?	N
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

Tier 1 Plan Benefit Design		
Medical	Drug	Combined
Deductible (\$)		\$1,500.00
Coinsurance (% Insurer's Cost Share)		70.00%
OOP Maximum (\$)		\$5,500.00
OOP Maximum if Separate (\$)		

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

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Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
<b>Medical</b>								
Emergency Room Services	Y	Y						
All Inpatient Hospital Services (inc. MHSA)	Y	Y						
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	Y	N		\$30.00				
Specialist Visit	Y	N		\$40.00				
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	Y	N		\$30.00				
Imaging (CT/PET Scans, MRIs)	Y	Y						
Rehabilitative Speech Therapy	Y	N		\$40.00				
Rehabilitative Occupational and Rehabilitative Physical Therapy	Y	N		\$40.00				
Preventive Care/Screening/Immunization	N	N	100%	\$0.00				
Laboratory Outpatient and Professional Services	Y	Y						
X-rays and Diagnostic Imaging	Y	Y						
Skilled Nursing Facility	Y	Y						
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Y	Y						
Outpatient Surgery Physician/Surgical Services	Y	Y						
<b>Drugs</b>								
Generics	Y	Y	80%					
Preferred Brand Drugs	Y	Y	70%					
Non-Preferred Brand Drugs	Y	Y	50%					
Specialty Drugs (i.e. high-cost)	Y	Y	50%					

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments? N
Specialty Rx Coinsurance Maximum:
Set a Maximum Number of Days for Charging an IP Copay? N
# Days (1-10):
Begin Primary Care Cost-Sharing After a Set Number of Visits? N
# Visits (1-10):
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays? N
# Copays (1-10):

**Output**

Status/Error Messages: Calculation Successful.  
 Actuarial Value: 68.4%  
 Metal Tier: Silver

\*\*"Y" means the checkbox was checked, "N" means the checkbox was left unchecked.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**BluePreferred HSA Silver 133%-150% FPL**

**User Inputs for Plan Parameters**

Use Integrated Medical and Drug Deductible? N  
 Apply Inpatient Copay per Day? N  
 Apply Skilled Nursing Facility Copay per Day? N  
 Use Separate OOP Maximum for Medical and Drug Spending? N  
 Indicate if Plan Meets CSR Standard? Y  
 Desired Metal Tier Platinum

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	N	Blended Network/POS Plan?	N
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

Tier 1 Plan Benefit Design		
Medical	Drug	Combined
Deductible (\$)	\$0.00	\$0.00
Coinsurance (% Insurer's Cost Share)	90.00%	90.00%
OOP Maximum (\$)	\$2,250.00	
OOP Maximum if Separate (\$)		

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

[Click Here for Important Instructions](#)

Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
<b>Medical</b>								
Emergency Room Services	Y	Y						
All Inpatient Hospital Services (inc. MHSA)	Y	Y						
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	Y	N						
Specialist Visit	Y	N		\$10.00				
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	Y	N						
Imaging (CT/PET Scans, MRIs)	Y	Y						
Rehabilitative Speech Therapy	Y	N		\$10.00				
Rehabilitative Occupational and Rehabilitative Physical Therapy	Y	N		\$10.00				
Preventive Care/Screening/Immunization	N	N	100%	\$0.00				
Laboratory Outpatient and Professional Services	Y	Y						
X-rays and Diagnostic Imaging	Y	Y						
Skilled Nursing Facility	Y	Y						
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Y	Y						
Outpatient Surgery Physician/Surgical Services	Y	Y						
<b>Drugs</b>								
Generics	Y	Y	100%					
Preferred Brand Drugs	Y	Y	90%					
Non-Preferred Brand Drugs	Y	Y	80%					
Specialty Drugs (i.e. high-cost)	Y	Y	80%					

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments?	N
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	N
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	N
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	N
# Copays (1-10):	

**Output**

Status/Error Messages: CSR Level of 94% (100-150% FPL), Calculation Successful.  
 Actuarial Value: 93.2%  
 Metal Tier: Platinum

\*"Y" means the checkbox was checked, "N" means the checkbox was left unchecked.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**BluePreferred HSA Silver 150%-200% FPL**

**User Inputs for Plan Parameters**

Use Integrated Medical and Drug Deductible? N  
 Apply Inpatient Copay per Day? N  
 Apply Skilled Nursing Facility Copay per Day? N  
 Use Separate OOP Maximum for Medical and Drug Spending? N  
 Indicate if Plan Meets CSR Standard? Y  
 Desired Metal Tier Gold

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	N	Blended Network/POS Plan?	N
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

Tier 1 Plan Benefit Design		
Medical	Drug	Combined
Deductible (\$)	\$0.00	\$0.00
Coinsurance (% Insurer's Cost Share)	70.00%	70.00%
OOP Maximum (\$)	\$2,250.00	
OOP Maximum if Separate (\$)		

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

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Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
<b>Medical</b>								
Emergency Room Services	Y	Y						
All Inpatient Hospital Services (inc. MHSA)	Y	Y						
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	Y	N		\$5.00				
Specialist Visit	Y	N		\$20.00				
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	Y	N		\$5.00				
Imaging (CT/PET Scans, MRIs)	Y	Y						
Rehabilitative Speech Therapy	Y	N		\$20.00				
Rehabilitative Occupational and Rehabilitative Physical Therapy	Y	N		\$20.00				
Preventive Care/Screening/Immunization	N	N	100%	\$0.00				
Laboratory Outpatient and Professional Services	Y	Y						
X-rays and Diagnostic Imaging	Y	Y						
Skilled Nursing Facility	Y	Y						
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Y	Y						
Outpatient Surgery Physician/Surgical Services	Y	Y						
<b>Drugs</b>								
Generics	Y	Y	100%					
Preferred Brand Drugs	Y	Y	70%					
Non-Preferred Brand Drugs	Y	Y	50%					
Specialty Drugs (i.e. high-cost)	Y	Y	50%					

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments?	N
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	N
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	N
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	N
# Copays (1-10):	

**Output**

Status/Error Messages: CSR Level of 87% (150-200% FPL), Calculation Successful.  
 Actuarial Value: 87.6%  
 Metal Tier: Gold

\*\*Y" means the checkbox was checked, "N" means the checkbox was left unchecked.



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**BluePreferred HSA Silver 200%-250% FPL**

**User Inputs for Plan Parameters**

Use Integrated Medical and Drug Deductible? Y  
 Apply Inpatient Copay per Day? N  
 Apply Skilled Nursing Facility Copay per Day? N  
 Use Separate OOP Maximum for Medical and Drug Spending? N  
 Indicate if Plan Meets CSR Standard? Y  
 Desired Metal Tier Silver

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	N	Blended Network/POS Plan?	N
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

Tier 1 Plan Benefit Design		
Medical	Drug	Combined
Deductible (\$)		\$700.00
Coinsurance (% Insurer's Cost Share)		70.00%
OOP Maximum (\$)		\$5,200.00
OOP Maximum if Separate (\$)		

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

[Click Here for Important Instructions](#)

Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
<b>Medical</b>								
Emergency Room Services	Y	Y						
All Inpatient Hospital Services (inc. MHSA)	Y	Y						
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	Y	N		\$30.00				
Specialist Visit	Y	N		\$40.00				
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	Y	N		\$30.00				
Imaging (CT/PET Scans, MRIs)	Y	Y						
Rehabilitative Speech Therapy	Y	N		\$40.00				
Rehabilitative Occupational and Rehabilitative Physical Therapy	Y	N		\$40.00				
Preventive Care/Screening/Immunization	N	N	100%	\$0.00				
Laboratory Outpatient and Professional Services	Y	Y						
X-rays and Diagnostic Imaging	Y	Y						
Skilled Nursing Facility	Y	Y						
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Y	Y						
Outpatient Surgery Physician/Surgical Services	Y	Y						
<b>Drugs</b>								
Generics	Y	Y	80%					
Preferred Brand Drugs	Y	Y	70%					
Non-Preferred Brand Drugs	Y	Y	50%					
Specialty Drugs (i.e. high-cost)	Y	Y	50%					

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments?	N
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	N
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	N
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	N
# Copays (1-10):	

**Output**

Status/Error Messages: CSR Level of 73% (200-250% FPL), Calculation Successful.  
 Actuarial Value: 73.7%  
 Metal Tier: Silver

\*"Y" means the checkbox was checked, "N" means the checkbox was left unchecked.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**BluePreferred Gold \$500**

**User Inputs for Plan Parameters**

Use Integrated Medical and Drug Deductible? Y  
 Apply Inpatient Copay per Day? N  
 Apply Skilled Nursing Facility Copay per Day? N  
 Use Separate OOP Maximum for Medical and Drug Spending? N  
 Indicate if Plan Meets CSR Standard? N  
 Desired Metal Tier Gold

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	N	Blended Network/POS Plan?	N
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

Tier 1 Plan Benefit Design		
Medical	Drug	Combined
Deductible (\$)		\$500.00
Coinsurance (% Insurer's Cost Share)		80.00%
OOP Maximum (\$)		\$3,750.00
OOP Maximum if Separate (\$)		

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

[Click Here for Important Instructions](#)

Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
<b>Medical</b>								
Emergency Room Services	Y	Y						
All Inpatient Hospital Services (inc. MHSA)	Y	Y						
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	Y	N		\$30.00				
Specialist Visit	Y	N		\$40.00				
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	Y	N		\$30.00				
Imaging (CT/PET Scans, MRIs)	Y	Y						
Rehabilitative Speech Therapy	Y	N		\$40.00				
Rehabilitative Occupational and Rehabilitative Physical Therapy	Y	N		\$40.00				
Preventive Care/Screening/Immunization	N	N	100%	\$0.00				
Laboratory Outpatient and Professional Services	Y	Y						
X-rays and Diagnostic Imaging	Y	Y						
Skilled Nursing Facility	Y	Y						
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Y	Y						
Outpatient Surgery Physician/Surgical Services	Y	Y						
<b>Drugs</b>								
Generics	Y	Y	80%					
Preferred Brand Drugs	Y	Y	70%					
Non-Preferred Brand Drugs	Y	Y	50%					
Specialty Drugs (i.e. high-cost)	Y	Y	50%					

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments?	N
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	N
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	N
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	N
# Copays (1-10):	

**Output**

Status/Error Messages: Calculation Successful.  
 Actuarial Value: 78.3%  
 Metal Tier: Gold

\*\*Y" means the checkbox was checked, "N" means the checkbox was left unchecked.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2015**  
**BluePreferred Platinum \$0**

**User Inputs for Plan Parameters**

Use Integrated Medical and Drug Deductible? N  
 Apply Inpatient Copay per Day? N  
 Apply Skilled Nursing Facility Copay per Day? N  
 Use Separate OOP Maximum for Medical and Drug Spending? N  
 Indicate if Plan Meets CSR Standard? N  
 Desired Metal Tier Platinum

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	N	Blended Network/POS Plan?	N
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

Tier 1 Plan Benefit Design		
Medical	Drug	Combined
Deductible (\$)	\$0.00	\$0.00
Coinsurance (% Insurer's Cost Share)	90.00%	90.00%
OOP Maximum (\$)	\$1,800.00	
OOP Maximum if Separate (\$)		

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

[Click Here for Important Instructions](#)

Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
<b>Medical</b>								
Emergency Room Services	Y	Y						
All Inpatient Hospital Services (inc. MHSA)	Y	Y						
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	Y	N		\$20.00				
Specialist Visit	Y	N		\$30.00				
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	Y	N		\$20.00				
Imaging (CT/PET Scans, MRIs)	Y	Y						
Rehabilitative Speech Therapy	Y	N		\$30.00				
Rehabilitative Occupational and Rehabilitative Physical Therapy	Y	N		\$30.00				
Preventive Care/Screening/Immunization	N	N	100%	\$0.00				
Laboratory Outpatient and Professional Services	Y	Y						
X-rays and Diagnostic Imaging	Y	Y						
Skilled Nursing Facility	Y	Y						
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Y	Y						
Outpatient Surgery Physician/Surgical Services	Y	Y						
<b>Drugs</b>								
Generics	Y	Y	80%					
Preferred Brand Drugs	Y	Y	70%					
Non-Preferred Brand Drugs	Y	Y	50%					
Specialty Drugs (i.e. high-cost)	Y	Y	50%					

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments?	N
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	N
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	N
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	N
# Copays (1-10):	

**Output**

Status/Error Messages: Calculation Successful.  
 Actuarial Value: 88.2%  
 Metal Tier: Platinum

\*"Y" means the checkbox was checked, "N" means the checkbox was left unchecked.

## Rate Filing Justification Part II (Plain Language Summary)

Pursuant to 45 CFR 154.215, health insurance issuers are required to file Rate Filing Justifications. Part II of the Rate Filing Justification for rate increases and new submissions must contain a written description that includes a simple and brief narrative describing the data and assumptions that were used to develop the proposed rates. The Part II template below must be filled out and uploaded as an Adobe PDF or Microsoft Word file.

---

Name of Company Group Hospitalization & Medical Services, Inc.

SERFF tracking number CFAP-129554331

Submission Date 06/13/2014

Product Name BluePreferred PPO, BluePreferred Multi-State Plan, BluePreferred PPO HSA

Market Type (Individual/Small Group) Individual

Rate Filing Type (Rate Increase / New Filing) Rate Increase

### Scope and Range of the Increase:

The 12.1% increase is requested because:

of reduced reinsurance recoveries, an increase in taxes and fees, and projected increases in medical and prescription drug costs

This filing will impact:

# of D.C. policyholders 2,914 # of D.C. covered lives 5,245

The average, minimum, and maximum rate changes increases are:

- Average Rate Change: The average premium change, by percentage, across all policy holders if the filing is approved 12.1 %
- Minimum Rate Change: The smallest premium increase (or largest decrease), by percentage, that any one policy holder would experience if the filing is approved 4.0 %
- Maximum Rate Change: The largest premium increase, by percentage, that any one policy holder would experience if the filing is approved 15.3 %

Individuals within the group may vary from the aggregate of the above increase components as a result of:

product selection, changes in age factors, and changes in family composition.

### Financial Experience of Product

The overall financial experience of the product includes:

Since these products were new effective 1/1/2014, no historical financial experience is included in this filing.

The rate increase will affect the projected financial experience of the product by:

  n/a  

### Components of Increase

The request is made up of the following components:

*Trend Increases* –   5.4  % of the  12.1 % total filed increase

1. Medical Utilization Changes – Defined as the increase in total plan claim costs not attributable to changes in the unit cost of underlying services, or renegotiation of provider contracts. Examples include changes in the mix of services utilized, or an increase/decrease in the frequency of service utilization.

This component is  0.9 % of the  12.1 % total filed increase.

2. Medical Price Changes – Defined as the increase in total plan claim costs attributable to changes in the unit cost of underlying services, or renegotiation of provider contracts.

This component is  4.5 % of the  12.1 % total filed increase.

*Other Increases* –  6.7 % of the  12.1 % total filed increase

1. Medical Benefit Changes Required by Law – Defined as any new mandated plan benefit changes, as mandated by either State or Federal Regulation.

This component is  0.9 % of the  12.1 % total filed increase.

2. Medical Benefit Changes Not Required by Law – Defined as changes in plan benefit design made by the company, which are not required by either State or Federal Regulation.

This component is  1.0 % of the  12.1 % total filed increase.

3. Changes to Administration Costs – Defined as increases in the costs of providing insurance coverage. Examples include claims payment expenses, distribution costs, taxes, and general business expenses such as rent, salaries, and overhead.

This component is  -0.1% % of the  12.1 % total filed increase.

4. Changes to Profit Margin – Defined as increases to company surplus or changes as an additional margin to cover the risk of the company.

This component is  0.0 % of the  12.1 % total filed increase.

5. Other – Defined as:

**Items included in this category include ACA related fees and taxes, assessment fees, and changes in assumed reinsurance recoveries**

This component is  4.9 % of the  12.1 % total filed increase.

## Rate Filing Justification Part II (Plain Language Summary)

Pursuant to 45 CFR 154.215, health insurance issuers are required to file Rate Filing Justifications. Part II of the Rate Filing Justification for rate increases and new submissions must contain a written description that includes a simple and brief narrative describing the data and assumptions that were used to develop the proposed rates. The Part II template below must be filled out and uploaded as an Adobe PDF or Microsoft Word file.

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Name of Company Group Hospitalization & Medical Services, Inc.

SERFF tracking number CFAP-129554331

Submission Date 06/13/2014

Product Name BluePreferred PPO, BluePreferred Multi-State Plan, BluePreferred PPO HSA

Market Type (Individual/Small Group) Individual

Rate Filing Type (Rate Increase / New Filing) Rate Increase

### Scope and Range of the Increase:

The 12.1% increase is requested because:

of reduced reinsurance recoveries, an increase in taxes and fees, and projected increases in medical and prescription drug costs

This filing will impact:

# of D.C. policyholders 2,914 # of D.C. covered lives 5,245

The average, minimum, and maximum rate changes increases are:

- Average Rate Change: The average premium change, by percentage, across all policy holders if the filing is approved 12.1 %
- Minimum Rate Change: The smallest premium increase (or largest decrease), by percentage, that any one policy holder would experience if the filing is approved 4.0 %
- Maximum Rate Change: The largest premium increase, by percentage, that any one policy holder would experience if the filing is approved 15.3 %

Individuals within the group may vary from the aggregate of the above increase components as a result of:

product selection, changes in age factors, and changes in family composition.

### Financial Experience of Product

The overall financial experience of the product includes:

Since these products were new effective 1/1/2014, no historical financial experience is included in this filing.

The rate increase will affect the projected financial experience of the product by:

n/a

### Components of Increase

The request is made up of the following components:

*Trend Increases* – 5.4% of the 12.1% total filed increase

1. Medical Utilization Changes – Defined as the increase in total plan claim costs not attributable to changes in the unit cost of underlying services, or renegotiation of provider contracts. Examples include changes in the mix of services utilized, or an increase/decrease in the frequency of service utilization.

This component is 0.9% of the 12.1% total filed increase.

2. Medical Price Changes – Defined as the increase in total plan claim costs attributable to changes in the unit cost of underlying services, or renegotiation of provider contracts.

This component is 4.5% of the 12.1% total filed increase.

*Other Increases* – 6.7% of the 12.1% total filed increase

1. Medical Benefit Changes Required by Law – Defined as any new mandated plan benefit changes, as mandated by either State or Federal Regulation.

This component is 0.9% of the 12.1% total filed increase.

2. Medical Benefit Changes Not Required by Law – Defined as changes in plan benefit design made by the company, which are not required by either State or Federal Regulation.

This component is 1.0% of the 12.1% total filed increase.

3. Changes to Administration Costs – Defined as increases in the costs of providing insurance coverage. Examples include claims payment expenses, distribution costs, taxes, and general business expenses such as rent, salaries, and overhead.

This component is -0.1% of the 12.1% total filed increase.

4. Changes to Profit Margin – Defined as increases to company surplus or changes as an additional margin to cover the risk of the company.

This component is 0.0% of the 12.1% total filed increase.

5. Other – Defined as:

Items included in this category include ACA related fees and taxes, assessment fees, and changes in assumed reinsurance recoveries

This component is 4.9% of the 12.1% total filed increase.